

AGENDA
EAGAR TOWN COUNCIL
REGULAR MEETING
AUGUST 1, 2017



**NOTICE OF A REGULAR MEETING OF THE TOWN OF EAGAR
AUGUST 1, 2017
7:00 P.M.
COUNCIL CHAMBER, 22 WEST 2ND STREET**

PURSUANT TO A.R.S. 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE TOWN COUNCIL OF THE TOWN OF EAGAR AND THE GENERAL PUBLIC THAT THE TOWN COUNCIL WILL HOLD A **REGULAR MEETING OPEN TO THE PUBLIC ON TUESDAY, AUGUST 1, 2017, BEGINNING AT 7:00 P.M., IN THE COUNCIL CHAMBERS LOCATED AT 22 W. 2ND STREET, EAGAR, ARIZONA.**

AGENDA

1. WELCOME AND CALL MEETING TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. INVOCATION

5. SUMMARY OF CURRENT EVENTS

- A. MAYOR
- B. COUNCIL
- C. STAFF

6. OPEN CALL TO THE PUBLIC

ANY CITIZEN DESIRING TO SPEAK ON A MATTER **THAT IS NOT** SCHEDULED ON THE AGENDA MAY DO SO AT THIS TIME. COMMENTS SHALL BE LIMITED TO 3 MINUTES PER PERSON AND SHALL BE ADDRESSED TO THE TOWN COUNCIL AS A WHOLE, AND NOT TO ANY INDIVIDUAL MEMBER. ISSUES RAISED SHALL BE LIMITED TO THOSE WITHIN THE JURISDICTION OF THE TOWN COUNCIL. PURSUANT TO THE ARIZONA OPEN MEETING LAW, THE TOWN COUNCIL CANNOT DISCUSS OR ACT ON ITEMS PRESENTED AT THIS TIME. AT THE CONCLUSION OF THE CALL TO THE PUBLIC, INDIVIDUAL TOWN COUNCIL MEMBERS MAY (1) RESPOND TO CRITICISM MADE BY THOSE WHO HAVE ADDRESSED THE PUBLIC BODY; (2) ASK STAFF TO REVIEW A MATTER AND (3) ASK THAT A MATTER BE PLACED ON A FUTURE AGENDA.

7. CONSENT AGENDA

- A. APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETING(S) HELD JUNE 2017 (EVA WILSON)
- B. APPROVAL OF JUNE 2017 NATIONAL BANK OF ARIZONA TRANSMITTALS, CHECKS WRITTEN, PAYROLL DIRECT DEPOSIT VOUCHERS, AND CREDIT CARD PURCHASES (KATIE BRADY / BRUCE RAY)
- C. ACCEPTANCE OF JUNE 2017 FINANCIAL REPORT AND SALES TAX REPORT (KATIE BRADY)
- D. APPROVAL TO ALLOW FOR THE SOLICITATION OF BIDS FOR CHIP SEAL FOR UDALL SUBDIVISION (DORINDA, GENEVIEVE AND ALL SIDE STREETS), CHERRY, ELM, EAST 7TH LANE, GARY, BOND, 9TH LANE, 9TH STREET, EAST 4TH STREET, EAST 6TH STREET, POVERTY FLAT, ALTA VISTA, EAST 6TH AVENUE, PARK PLACE AND CRYSTAL LANE NOT TO EXCEED \$126,000 AND TO ALLOW THE TOWN OF EAGAR TO ENTER INTO A CONTRACT WITH THE LOWEST RESPONSIBLE BIDDER (BRUCE RAY)

- E. APPROVAL TO DIRECT STAFF TO DRAFT A LETTER TO PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM TO IMMEDIATELY APPLY CREDIT TO EMPLOYER'S RESERVE ACCOUNT (KATIE BRADY)

8. UNFINISHED BUSINESS

9. NEW BUSINESS

- A. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2017-09 APPROVING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED REVENUE REFUNDING OBLIGATIONS, EVIDENCING ALL THE INTERESTS OF THE OWNER THEREOF IN A PURCHASE AGREEMENT, TO PREPAY A LOAN REPAYMENT AGREEMENT OF THE TOWN, THE PROCEEDS OF WHICH FINANCED AND REFINANCED THE COSTS OF CERTAIN MUNICIPAL AND UTILITIES FACILITIES AND EQUIPMENT IN AND FOR THE TOWN; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH PURCHASE AGREEMENT, A TRUST AGREEMENT, A PLACEMENT AGENT AGREEMENT AND OTHER NECESSARY DOCUMENTS; DELEGATING AUTHORITY TO THE MANAGER AND CHIEF FINANCIAL OFFICER OF THE TOWN TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE TOWN; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY (BRUCE RAY / KATIE BRADY)
- B. DISCUSSION AND CONSIDERATION ON CURRENT REMOVAL OF STOP SIGNS THROUGHOUT TOWN (MAYOR HAMBLIN)
- C. DISCUSSION AND CONSIDERATION TO AWARD TOWN WIDE IT SERVICES TO SUNSTATE TECHNOLOGY GROUP BASED ON REQUEST FOR QUALIFICATIONS (BRUCE RAY)

10. EXECUTIVE SESSION

- A. EXECUTIVE SESSION AS ALLOWED BY A.R.S. § 38-431.03.A3.A4. - DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE TOWN'S ATTORNEY AND – DISCUSSION OR CONSULTATION WITH THE ATTORNEYS OF THE PUBLIC BODY IN ORDER TO CONSIDER ITS POSITION AND INSTRUCT ITS ATTORNEYS REGARDING THE PUBLIC BODY'S POSITION REGARDING CONTRACTS THAT ARE THE SUBJECT OF NEGOTIATIONS, IN PENDING OR CONTEMPLATED LITIGATION OR IN SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – NAVOPACHE ELECTRIC COOPERATIVE AND FRONTIER FRANCHISES
- B. EXECUTIVE SESSION AS ALLOWED BY A.R.S. § 38-431.03.A1 - DISCUSSION OR CONSIDERATION OF EMPLOYMENT, ASSIGNMENT, APPOINTMENT, PROMOTION, DEMOTION, DISMISSAL, SALARIES, DISCIPLINING OR RESIGNATION OF A PUBLIC OFFICER, APPOINTEE OR EMPLOYEE OF ANY PUBLIC BODY – TOWN MANAGER POSITION
- C. EXECUTIVE SESSION AS ALLOWED BY A.R.S. § 38-431.03.A4. - DISCUSSION OR CONSULTATION WITH THE ATTORNEYS OF THE PUBLIC BODY IN ORDER TO CONSIDER ITS POSITION AND INSTRUCT ITS ATTORNEYS REGARDING THE PUBLIC BODY'S POSITION REGARDING CONTRACTS THAT ARE THE SUBJECT OF NEGOTIATIONS, IN PENDING OR CONTEMPLATED LITIGATION OR IN SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – TOWN MANAGER CONTRACT

RECONVENE INTO REGULAR SESSION

- D. DISCUSSION AND CONSIDERATION OF ANY ACTION DEEMED NECESSARY FROM THE EXECUTIVE SESSION ITEM 10.A
- E. DISCUSSION AND CONSIDERATION OF ANY ACTION DEEMED NECESSARY FROM THE EXECUTIVE SESSION ITEM 10.B
- F. DISCUSSION AND CONSIDERATION OF ANY ACTION DEEMED NECESSARY FROM THE EXECUTIVE SESSION ITEM 10.C

11. SIGNING OF DOCUMENTS

12. ADJOURNMENT

THE PUBLIC IS WELCOME TO PLACE ITEMS ON THE COUNCIL AGENDAS WITH THE APPROVAL OF THE MAYOR OR TOWN MANAGER. A "PROPOSED AGENDA ITEM" REQUEST FORM IS AVAILABLE IN THE TOWN CLERK'S OFFICE OR AT WWW.EAGARAZ.GOV UNDER THE COUNCIL AND CLERK LINKS. ALL REQUESTS ARE DUE INTO THE TOWN CLERK'S OFFICE BY WEDNESDAY AT 12:00 NOON THE WEEK PROCEEDING THE COUNCIL MEETING. REGULAR COUNCIL MEETINGS ARE HELD ON THE 1ST TUESDAY, AND 3RD TUESDAY OF THE MONTH AS BUSINESS ALLOWS.

IF ANYONE WISHING TO ATTEND THIS MEETING HAS SPECIAL NEEDS DUE TO A DISABILITY, PLEASE CONTACT THE TOWN CLERK AT 928-333-4128 TWENTY-FOUR HOURS PRIOR TO THE MEETING AND ACCOMMODATIONS WILL BE PROVIDED. ANYONE NEEDING INFORMATION ON THE CURRENT MEETING, PLEASE CONTACT THE TOWN CLERK AT 928-333-4128.

POSTED BY: KATIE BRADY

Date: July 27, 2017

Time: 4:00 P.M.

**MINUTES
EAGAR TOWN COUNCIL
PUBLIC HEARING AND SPECIAL MEETING
22 W. 2nd St., Eagar, AZ
June 27, 2017 - 7:00 P.M.**

Mayor Bryce Hamblin called the Public Hearing and Special Council Meeting to order and welcomed those present. Mayor Hamblin requested the record show that all Councilmembers are present. Mayor Hamblin led the Pledge of Allegiance and Bruce Ray offered the invocation.

COUNCIL PRESENT: Bryce Hamblin, Mayor
Steve Erhart, Vice Mayor
Debra Seeley
James Nelson, Jr.
Winslow McNeill
Allen Browning
John O. Phelps

STAFF PRESENT: Bruce Ray, Interim Town Manager
Eva Wilson, Town Clerk
Mike Sweetser, Police Chief
Jeremiah Loyd, Community Development Director
Katie Brady, Finance Manager
Doug Brown, Town Attorney
Roberta Reed, Town Magistrate
Marion Wiltbank, Assistant Town Clerk

ITEM #5: SUMMARY OF CURRENT EVENTS

Interim Town Manager Bruce Ray stated that on Council's desk there was a report on the Round Valley RoundUp breakdown of what we spent. He appreciates everyone's help and those who came out to support the event. The event will be even better next year.

Mr. Ray reported that the town terminated their contract with Conquest Technology that was up for renewal July 1, 2017.

Chief Mike Sweetser informed Council that he has received citizens' concerns about the stop sign removals. The Police Department have put up signs advising citizens of the stop sign removal, but people keep stopping anyways. There have been no accidents, it is just the change.

ITEM #6: OPEN CALL TO THE PUBLIC

None.

ITEM #7: PRESENTATIONS

A. PRESENTATION ON HOUSING AND URBAN DEVELOPMENT (HUD) AND FAIR HOUSING BASICS FROM THE SOUTHWEST FAIR HOUSING COUNCIL

Kai McInstry from the Southwest Fair Housing Council made a presentation of the seven protected classes of the Fair Housing Act and HUD updates:

- Race and Ethnicity
- Color (skin pigmentation of an individual)
- Sex and Gender
- National Origin
- Religion
- Familial Status
- Disability

Ms. McInstry added that all federally funded and public properties are to be non-smoking as of August 2018; and housing providers may no longer deny persons with blanket bans for criminal histories as of April 2017. This presentation counts as one criteria of the Community Development Block Grant (CDBG) requirements for funding.

B. PRESENTATION ON CROOKED NAIL TRAIL PROGRESS

Community Development Director Jeremiah Loyd and Ron Shepherd a citizen who is a member of the Crooked Nail Trail Committee, presented an update on the Crooked Nail Trail. It was reported that the Committee had several setbacks in solidifying the multi-use trail routes. The current draft plan first phase routes to the east of Springerville and Eagar and continues south of Eagar to connect to existing trails. A lot of the proposed route follows existing roadways. Responsibility of maintenance of the proposed trails has not been decided yet; hoping the ATV Club takes on that responsibility. The Trail Committee may reapply to State Parks for grant funding to help with maintenance, open funding sources are available. The committee anticipates revenue generation coming from local and state shared sales tax via the sale of gas, food and lodging. The anticipated time table for completion of this phase of the trail is next summer. Mr. Loyd invited everyone to the Crooked Nail Trail Committee meetings held on the second Wednesday of every month from 1:00 p.m. to 3:00 p.m. at Eagar Town Hall.

ITEM #8: PUBLIC HEARING

A. PUBLIC HEARING – FISCAL YEAR 2017-2018 FINAL BUDGET AND CAPITAL IMPROVEMENT PLAN

Interim Town Manager Bruce Ray and Finance Manager Katie Brady presented a PowerPoint regarding 2017-2018 final budget and overview of Town's projected revenues and expenditures. The final State Revenue report has been received by the Town. The Town will be receiving more revenue than what was adopted in the tentative budget. It is projected

we will receive an additional \$200 in Vehicle License Tax, \$2,300 in Highway User Revenue Funds (HURF) plus the one time HURF allocation of \$39,000, \$5,000 in State Shared Sales Tax, and \$700 in Urban Revenue Sharing. Council can vote to use the extra amount via the Contingency line items built into the budget. Mr. Ray and Ms. Brady discussed the breakdown of expenditures in the budget for the fiscal year 2017-2018 with all expenditures totaling \$8,016,163. In anticipation of the Council's possible desire to pay down a large portion of the principal debt to Greater Arizona Development Authority (GADA), for the 2007 bonding issue, a large contingency of \$500,000 was built into the General Fund. The Town will pay off two outstanding WIFA loans in fiscal year 2017-2018 of approximately \$454,000. Public Safety Personnel Retirement System was discussed, the Town has opted to stay with the 20 year payoff of the unfunded liability balance.

ITEM #9: ADJOURNMENT OF PUBLIC HEARING

Vice-Mayor Steve Erhart made a motion to adjourn the Public Hearing. Councilor Winslow McNeill seconded; all were in favor, motion carried unanimously. 7-0

ITEM #10: CONSENT AGENDA

- A. APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETING(S) HELD MAY 2017
- B. APPROVAL OF APRIL AND MAY 2017 NATIONAL BANK OF ARIZONA TRANSMITTALS, CHECKS WRITTEN, PAYROLL DIRECT DEPOSIT VOUCHERS, AND CREDIT CARD PURCHASES
- C. ACCEPTANCE OF APRIL AND MAY 2017 FINANCIAL REPORT AND SALES TAX REPORT
- D. AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE TOWN OF SPRINGVILLE TO PROVIDE SERVICES TO SENIOR CITIZENS RESIDING THROUGHOUT ROUND VALLEY
- E. APPROVAL TO ALLOW FOR THE SOLICITATION OF BIDS FOR ABC AND LEACH ROCK FOR THE 12TH STREET TRAILHEAD PARKING LOT NOT TO EXCEED \$59,125 AND TO ALLOW THE TOWN OF EAGAR TO ENTER INTO A CONTRACT WITH THE LOWEST RESPONSIBLE BIDDER
- F. AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH APACHE COUNTY SHERIFF'S OFFICE FOR SHARED FIRE INVESTIGATION COSTS OUTSIDE THE EAGAR TOWN LIMITS

- G. AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR THE IMPLEMENTATION, DEPLOYMENT, EQUIPPING, GOVERNANCE AND MAINTENANCE OF THE WHITE MOUNTAIN REGIONAL SPECIAL RESPONSE TEAM
- H. APPROVAL OF RESOLUTION 2017-06 ADOPTING A 15 MILES PER HOUR ZONE DURING THE HOURS OF 7:00 A.M. THROUGH 8:00 A.M., AND 3:00 P.M. THROUGH 4:00 P.M. ON SCHOOL DAYS IN THE AREAS OF EAST 2ND STREET ON EAGAR STREET, BUTLER STREET, AND HAMBLIN STREET
- I. APPROVAL OF RESOLUTION 2017-07 TO ESTABLISH A YIELD SIGN ON SOUTH SCHOOL BUS ROAD AT THE INTERSECTION OF WEST SCHOOL BUS ROAD AND WEST 8TH STREET
- J. APPROVAL OF RESOLUTION 2017-08 AMENDING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF EAGAR, THE TOWN OF SPRINGERVILLE, AND APACHE COUNTY FOR THE CONSTRUCTION OF THE CROOKED NAIL TRAIL
- K. AUTHORIZATION TO AWARD SWCA ENVIRONMENTAL CONSULTANTS A CONTRACT TO CONDUCT THE CULTURAL CLEARANCE SURVEY FOR THE CROOKED NAIL TRAIL

Mayor Bryce Hamblin asked if there were any items that Council would like to pull from the Consent Agenda for discussion and consideration. Items D., F., G., and H. were pulled from the Consent Agenda.

With the exceptions of Items D., F., G., and H. pulled from the Consent Agenda, Vice-Mayor Steve Erhart made a motion to approve the Consent Agenda. Councilor Debra Seeley seconded; all were in favor, motion carried unanimously. 7-0

Consent Agenda items are discussed prior to motions made on each item:

- D. AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE TOWN OF SPRINGERVILLE TO PROVIDE SERVICES TO SENIOR CITIZENS RESIDING THROUGHOUT ROUND VALLEY

Mr. Ray stated that paragraph 7, B. was changed to read: "This Agreement shall remain in full force and effect through June 30, 2018", and the next sentence was removed so the agreement can be reviewed every year.

Councilor James Nelson, Jr. moved to enter into an intergovernmental agreement with the Town of Springerville to provide services to senior citizens residing throughout Round Valley with the corrections to the agreement in paragraph B. as noted by Interim Town

Manager Bruce Ray. Councilor Winslow McNeil seconded; all were in favor, motion carried unanimously. 7-0

F. AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH APACHE COUNTY SHERIFF'S OFFICE FOR SHARED FIRE INVESTIGATION COSTS OUTSIDE THE EAGAR TOWN LIMITS

Mayor Bryce Hamblin questioned the instance that we would share costs of an investigation outside our town limits. Interim Town Manager Bruce Ray stated that the Town has two fire investigators, Dino Walker and Tom Beddow, volunteers with Eagar Fire Department. If they are outside our jurisdiction investigating, the Town might incur some costs and it is anticipated that the requesting agency will reimburse the Town, as well as Apache County supplying a vehicle for those investigators.

Mayor Hamblin asked if there was any discretion built into the agreement as to whether the investigator will be dispatched to fires and what and if the reimbursement will be? Town Attorney Doug Brown said the agreement it allows us to provide services and if the incident is minimal time and close to town limits there probably won't be a cost incurred except the vehicle being covered. If it requires a long-distance travel, overnight stay and meals then we would get reimbursed those.

Mayor Hamblin clarified that the investigator's time (compensation) is incurred by the Town (not including travel expenses). Mr. Ray stated that the use of the vehicle is the reimbursement for the investigator's time. The Town would renegotiate the agreement with Apache County when a replacement vehicle is needed. Mr. Brown stated there is an "out clause" built into the agreement, as well as, a three-year term.

Councilor Debra Seeley inquired about workman's compensation responsibilities and Mr. Brown replied that indemnification responsibilities is written in the contract so Apache County is liable when the fire investigators are working for them. Councilor Seeley asked how often these investigators have been called out for investigations. Mr. Ray stated this is a new program as the two investigators were just recently certified. Mr. Brown stated there has only been one fire recently that has been in need of investigation.

Councilor James Nelson, Jr. moved to enter into an intergovernmental agreement with Apache County Sheriff's Office for shared Fire Investigation costs outside the Eagar Town limits. Councilor Winslow McNeil seconded; all were in favor, motion carried unanimously. 7-0

G. AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR THE IMPLEMENTATION, DEPLOYMENT, EQUIPPING, GOVERNANCE AND MAINTENANCE OF THE WHITE MOUNTAIN REGIONAL SPECIAL RESPONSE TEAM

Mayor Hamblin questioned who has oversight over the Special Response Team (SRT). Chief Mike Sweetser stated the oversight is provided by the team commander through Show Low. It will be Chief Sweetser's decision when he asks the SRT to respond as to who maintains authority; authority may be assigned to the SRT squad, maintained jointly, and ideally keep the authority as the requesting agency. The creation of this Intergovernmental Agreement (IGA) shows due diligence by consulting county and municipal risk pools and attorneys to ensure equal and fair indemnification on all parties involved.

More than indemnification Mayor Hamblin is more concerned about high risk stops occurring in Eagar with guns drawn for non-felonious or non-serious events which may not even entail incarceration; this type of response is unwarranted. Mayor Hamblin understands the requesting agency maintains control, however, he wants to ensure that the dynamics of the SRT has proper supervision and competence; and does every participating agency have a say in those dynamics. Chief Sweetser stated the SRT command staff consists of Commander McNeil and Sergeant Spear of Show Low. Chief Sweetser has worked with these officers in the past and acknowledged their respectable reputations.

Mayor Hamblin wants clarification on how much input the Town of Eagar has concerning issues, including personnel issues with the SRT. How much influence does the City of Show Low have versus other participating agencies with respect to the SRT and issues of concern? Upon whom does the ultimate responsibility fall upon? Chief Sweetser will take these issues to the SRT Board and get the answers to Mayor Hamblin's, and other councilmembers concerns and keep them informed via an email. The SRT is in the process of writing their bylaws and procedures and Mayor Hamblin wants the Town to have a say in decisions of personnel issues and some decision making criteria placed in the bylaws. There was also concern on the command structure of the SRT and how the responsibility of leadership will be maintained.

Chief Sweetser stated he has the same sentiments and concerns. Show Low is the main provider of the team now with other members from Apache and Navajo Counties. Apache County has approximately five members on the team with commander based out of Apache County who has SWAT experience and will oversee this area when dire response is needed immediately.

Councilor James Nelson, Jr. moved to enter into an intergovernmental agreement for the implementation, deployment, equipping, governance and maintenance of the White Mountain Regional Special Response Team. Vice-Mayor Steve Erhart seconded; all were in favor, motion carried unanimously. 7-0

- H. APPROVAL OF RESOLUTION 2017-06 ADOPTING A 15 MILES PER HOUR ZONE DURING THE HOURS OF 7:00 A.M. THROUGH 8:00 A.M., AND 3:00 P.M. THROUGH 4:00 P.M. ON SCHOOL DAYS IN THE AREAS OF EAST 2ND STREET ON EAGAR STREET, BUTLER STREET, AND HAMBLIN STREET

Councilor Debra Seeley is not fond of this resolution to adjust speed limits, and previously the removal of certain stop signs near the schools

Chief Mike Sweetser said he is not trying to implement a 15 mile per hour (MPH) school zone with this and instead is a reasonable and prudent solution to the removal of those stop signs. The change of speed would allow officer visibility and more traffic enforcement options.

Councilor John Phelps asked if the driver feedback signs (electronic speed limit signs) would work in these proposed areas of concern. Chief Sweetser stated that could be an option and Council is welcome to provide other solutions to the issue. Councilor Phelps asked how drivers would be reminded of a speed limit change besides a citation.

Chief Sweetser with assistance from the school will send out a letter to parents regarding removal of stop signs.

Mayor Hamblin stated the tactic of notify parents has not worked in the past as evidenced by parent who still drop their children off in the middle of the street to cross against traffic. He added that this year there definitely has to be some enforcement and consequences to these careless actions taking place at the elementary school. It's a great fear that a child is going to get seriously injured in this school zone. Chief Sweetser stated the letter he has drafted will have a stern notice to reemphasize this issue. Chief Sweetser, however, does not have a problem moving to the next level of enforcement with citations and Mayor Hamblin endorsed that action.

Councilor Winslow McNeil wants officers to have discretion on the level of enforcement, and absolutely repeat offenders should be dealt with strictly.

Chief Sweetser and Mayor Hamblin agree that the notification letters to parents help the situation initially and then shortly after return to the negative consideration and driving habits. It has been three years that the school and police department has tried to emphasize to the parents about the safety hazards in this area and the proper drop off zones and parking area; it is time to strictly enforce violations.

Councilor John Phelps said when it comes to a child's life, citations to speeding drivers in the school zones is absolutely appropriate.

Councilor Debra Seeley agrees the schools zones need to be strictly patrolled as she worries for the children.

Councilor James Nelson, Jr. moved to approve Resolution 2017-06 adopting a 15 miles per hour zone during the hours of 7:00 a.m. through 8:00 a.m. and 3:00 p.m. through 4:00 p.m. on school days in the areas of east 2nd Street on Eagar Street, Butler Street, and Hamblin

Street. Councilor Winslow McNeil seconded; all were in favor, motion carried unanimously.
7-0

ITEM #11: UNFINISHED BUSINESS

None.

ITEM #12: NEW BUSINESS

**A. DISCUSSION AND CONSIDERATION TO ACCEPT FISCAL YEAR 2016-2017 BUDGET
END-YEAR ADJUSTMENTS**

Finance Manager Katie Brady described the budget appropriations for Council consideration. Ms. Brady asked Council to allow her to make the following adjustment to the budgets:

• General Government	(20,000)
• Parks & Recreation	11,000
• Facilities	39,000
• Fleet	16,500
• HURF	70,000
• Utility Facilities	14,530
• Utility Fleet	(11,500)
• Water	60,000
• Sewer	(20,000)
• Contingency	(159,530)

Vice-Mayor Steve Erhart moved to accept the Fiscal Year 2016-2017 Budget end-year adjustments. Councilor James Nelson seconded; all were in favor, motion carried unanimously. 7-0

**B. DISCUSSION AND CONSIDERATION TO APPROVE RESOLUTION 2017-05
ADOPTING THE FISCAL YEAR 2017-2018 FINAL BUDGET AND CAPITAL
IMPROVEMENT PLAN**

Interim Town Manager Bruce Ray presented the Fiscal Year 2017-2018 Final Budget and Capital Improvement Plan to Council. The Town has a \$270,000 adjustment in personnel and everybody it affects has been notified. Mr. Ray said the Town is looking pretty good in regards to the budget. Vice-Mayor Steve Erhart asked if the council still retains the ability to change or re-prioritize capital items and Mr. Ray affirmed that. Mr. Ray stated that the savings in the town manager's fund, if used for any other purpose other than paying for a town manager, needs council to indicate that and give direction on what that might be used for. Mayor Hamblin asked if the money can be moved around and used for anything and Mr. Ray stated yes.

Councilor James Nelson moved to approve Resolution 2017-05 adopting the Fiscal Year 2017-2018 Final Budget and Capital Improvement Plan. Vice-Mayor Steve Erhart seconded; all were in favor, motion carried unanimously. 7-0

ITEM #13: SIGNING OF DOCUMENTS

Necessary signatures were obtained for the Minutes of May 2017; Financial Statements for April and May 2017; Intergovernmental Agreements with the Town of Springerville for the Senior Center, Apache County Sheriff's Office for Fire Investigators, and the White Mountain Regional Special Response Team; Resolutions 2017-05 (FY 2017-2018 Final Budget and Capital Improvement Plan), 2017-06, 2017-07, and 2017-08; and the contract to SWCA Environmental Consultants.

ITEM #14: ADJOURNMENT

Councilor Winslow McNeill made a motion to adjourn the meeting [at 8:27 p.m.] Vice-Mayor Steve Erhart seconded; all were in favor, motion carried unanimously. 7-0

Attest: _____

Mayor: _____

Vice-Mayor: _____

Council: _____

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes is a true and correct copy of the minutes of the Regular Council Meeting of the Town of Eagar, Arizona held on June 27, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Eva Wilson, Town Clerk

Journal	Payee or Description	Date	Check No	Amount
CDPT	Standard Insurance Company	06/06/2017	470	447.61
CDPT	SECURITY BENEFIT	06/08/2017	471	385.00
CDPT	ACR-AZ ST RETIREMENT	06/08/2017	472	311.82
CDPT	Arizona State Retirement	06/08/2017	473	10,881.34
CDPT	U. S. Department of Revenue	06/08/2017	474	15,424.28
CDPT	Arizona Dept of Revenue	06/08/2017	475	1,812.96
CDPT	SECURITY BENEFIT	06/22/2017	476	385.00
CDPT	ACR-AZ ST RETIREMENT	06/22/2017	477	307.56
CDPT	Arizona State Retirement	06/22/2017	478	10,887.94
CDPT	U. S. Department of Revenue	06/22/2017	479	15,820.60
CDPT	Arizona Dept of Revenue	06/22/2017	480	1,857.75
CD	XPRESS BILL PAY - MONTHLY FEES	06/01/2017	1630	319.90
CD	CHASE PAYMENTECH MONTHLY FEES - #1052	06/06/2017	1631	432.41
CD	CHASE PAYMENTECH MONTHLY FEES - #4176	06/06/2017	1632	72.75
CD	NBA - MONTHLY FEES	06/09/2017	1633	409.63
CDA	WRIGHT EXPRESS FLEET SERVICES	06/15/2017	1634	4,685.08
CD	XPRESS BILL PAY - MONTHLY FEES	06/20/2017	1635	11.70
CD	AZ DEPT OF REVENUE - TPT TAXES	06/22/2017	1636	6,481.49
CD	NSF CHECK - ROBIN GILMAN	06/20/2017	1637	33.72
CD	NBA - PAPER STATEMENT FEES	06/30/2017	1638	5.00
CDA	NATIONAL BANK OF ARIZONA	06/01/2017	41212	14,015.00
CDA	NATIONAL BANK OF ARIZONA	06/01/2017	41213	300.00
CDA	CASILLAS, JASON	06/01/2017	41214	162.00
CDA	GILLIAM, ZONA	06/01/2017	41215	162.00
CDA	HAUGHT, TREVOR	06/05/2017	41216	1,200.00
CDA	THE 100 CLUB	06/05/2017	41217	300.00
CDA	OFFICER REED DONATION	06/05/2017	41218	300.00
CD	PREFERRED HOMECARE - B RAY SEC 125	06/05/2017	41219	37.85
CDP	FINCH, STEPHANIE	06/08/2017	41220	1,084.25
CDP	BRADY, MARY K.	06/08/2017	41221	1,576.98
CDP	VALENZUELA, ORALIA	06/08/2017	41222	662.72
CDP	BEARD, PAT	06/08/2017	41223	1,150.16
CDP	BEDDOW, THOMAS	06/08/2017	41224	168.46
CDP	WALKER, VERLYN	06/08/2017	41225	.00
CDP	NORMAN, MIKE	06/08/2017	41226	2,654.88
CDP	TADLOCK, MICHAEL O. II	06/08/2017	41227	49.22
CDP	BECKMAN, LEA M.	06/08/2017	41228	111.37
CDP	GOLDSMITH, SHAWN "CHRIS"	06/08/2017	41229	.93
CDP	VICKERS, KEVIN	06/08/2017	41230	65.32
CDP	GOODSELL, JACOB N.	06/08/2017	41231	20.64
CDP	ROBBERTS, STEVEEN AARON	06/08/2017	41232	27.09
CDP	GOODMAN, TANNER	06/08/2017	41233	94.09
CDP	AVERY, CHRISTIAN T.	06/08/2017	41234	.28
CDP	ROBBERTS, CORY S.	06/08/2017	41235	34.33
CDP	ROBBERTS, CODY A.	06/08/2017	41236	61.49
CDP	BEARD, RONNIE P.	06/08/2017	41237	69.23
CDP	KENNEDY, GAYLON D.	06/08/2017	41238	728.61
CDP	PENA, PATRICK J	06/08/2017	41239	629.69
CDPT	AMERICAN HERITAGE LIFE	06/06/2017	41240	166.23
CDPT	AFLAC	06/06/2017	41241	617.51
CDPT	RAGHT	06/06/2017	41242	26,367.48
CDPT	LEGALSHIELD	06/06/2017	41243	105.70
CDPT	EAP Preferred	06/06/2017	41244	144.50
CDPT	AVESIS INSURANCE	06/06/2017	41245	194.07
CDA	A & B TOWING AUTO BODY REPAIR	06/07/2017	41246	100.00
CDA	AZ MUN. RISK RETENTION POOL	06/07/2017	41247	30,571.00
CDA	BLUE HILLS ENVIRONMENTAL ASSOC	06/07/2017	41248	386.82
CDA	BRADCO	06/07/2017	41249	2,073.33
CDA	BROWN, DELICATE	06/07/2017	41250	112.00

Journal	Payee or Description	Date	Check No	Amount
CDA	Void - Information Only Check	06/07/2017	41251	.00
CDA	Void - Information Only Check	06/07/2017	41252	.00
CDA	CARQUEST OF SPRINGERVILLE	06/07/2017	41253	1,545.72
CDA	CASELLE, INC	06/07/2017	41254	1,736.00
CDA	CHAPMAN, VERA	06/07/2017	41255	50.00
CDA	COSAY, TIM JR	06/07/2017	41256	92.00
CDA	COWBOY UP HAY & RANCH SUPPLY	06/07/2017	41257	1,603.58
CDA	DOYLE'S AUTO BODY, INC.	06/07/2017	41258	4,454.82
CDA	E & E SERVICES, INC.	06/07/2017	41259	126.99
CDA	EAGAR FIREFIGHTER ASSOCIATION	06/07/2017	41260	40.00
CDA	EMPIRE SOUTHWEST	06/07/2017	41261	623.03
CDA	HATCH FAMILY LTD PARTNERSHIP	06/07/2017	41262	51.59
CDA	KONICA MINOLTA BUSINESS SOLUTI	06/07/2017	41263	84.22
CDA	MARISCAL, TOMMI	06/07/2017	41264	20.59
CDA	MISSION LINEN SUPPLY	06/07/2017	41265	209.80
CDA	PENROD, SHAROD	06/07/2017	41266	825.00
CDA	PERSONNEL SAFETY ENTERPRISES	06/07/2017	41267	46.37
CDA	QUALITY READYMIX INC	06/07/2017	41268	923.08
CDA	QUILL CORPORATION	06/07/2017	41269	120.87
CDA	QUILTERS HAVEN & TWISTED THREA	06/07/2017	41270	25.00
CDA	TOWN OF SPRINGERVILLE	06/07/2017	41271	2,083.33
CDA	SPARKMAN, AMANDA	06/07/2017	41272	92.40
CDA	TOWN OF SPRINGERVILLE	06/07/2017	41273	686.83
CDA	VALLEY AUTO PARTS	06/07/2017	41274	876.98
CDA	WAGNER, STETSON	06/07/2017	41275	63.00
CDA	WESTERN DRUG, INC.	06/07/2017	41276	21.81
CDA	WHITE MTN REG MED CNTR	06/07/2017	41277	75.00
CDPT	Support Payment Clearing House	06/08/2017	41278	92.00
CDPT	Support Payment Clearing House	06/08/2017	41279	217.37
CDPT	Support Payment Clearing House	06/08/2017	41280	105.20
CDPT	FAMILY SUPPORT REGISTRY	06/08/2017	41281	50.72
CDPT	Eagar Firefighter Assoc	06/08/2017	41282	420.10
CDPT	PUBLIC SAFETY PERSONNEL	06/08/2017	41283	7,472.62
CDA	APACHE COUNTY TREASURER	06/14/2017	41284	273.10
CDA	AZ DEPT OF CORRECTIONS	06/14/2017	41285	213.60
CDA	AZ DEPT OF CORRECTIONS	06/14/2017	41286	390.00
CDA	AZ STATE TREASURER	06/14/2017	41287	1,796.65
CDA	BACA, KELLY	06/14/2017	41288	1,200.00
CDA	BASHAS', INC.	06/14/2017	41289	111.66
CDA	BUSINESS SOLUTIONS GROUP	06/14/2017	41290	331.46
CDA	CONQUEST TECHNOLOGY GROUP	06/14/2017	41291	400.00
CDA	DAVIS TRUE VALUE HDWRE, INC	06/14/2017	41292	56.17
CDA	EAPPA	06/14/2017	41293	4,182.85
CDA	HAWKER & EVANS ASPHALT CO	06/14/2017	41294	41,672.33
CDA	KONICA MINOLTA BUSINESS SOLUTI	06/14/2017	41295	171.33
CDA	MISSION LINEN SUPPLY	06/14/2017	41296	32.83
CDA	NATIONAL BANK OF ARIZONA	06/14/2017	41297	2,894.87
CDA	Void - Information Only Check	06/14/2017	41298	.00
CDA	NAVOPACHE ELECTRIC COOPERATIVE	06/14/2017	41299	14,783.18
CDA	PREMIERE DRY CLEANING	06/14/2017	41300	12.75
CDA	TOWN OF SPRINGERVILLE	06/14/2017	41301	3,000.00
CDA	WOODLAND BUILDING CENTER	06/14/2017	41302	309.69
CD	SELMAN AND COMPANY - B RAY SEC 125	06/15/2017	41303	354.00
CD	KATIE BRADY - SEC 125	06/20/2017	41304	61.50
CDP	FINCH, STEPHANIE	06/22/2017	41305	1,084.24
CDP	BRADY, MARY K.	06/22/2017	41306	1,551.63
CDP	VALENZUELA, ORALIA	06/22/2017	41307	662.72
CDP	NORMAN, MIKE	06/22/2017	41308	4,152.77
CDP	HAMBLIN, BRYCE M.	06/22/2017	41309	349.00

Journal	Payee or Description	Date	Check No	Amount
CDP	MCNEILL, WINSLOW	06/22/2017	41310	88.15
CDP	ERHART, STEVE	06/22/2017	41311	88.75
CDP	NELSON, JAMES, JR	06/22/2017	41312	91.55
CDP	BROWNING, ELWIN ALLEN	06/22/2017	41313	91.55
CDP	SEELEY, DEBRA	06/22/2017	41314	91.55
CDP	KENNEDY, GAYLON D.	06/22/2017	41315	979.06
CDP	PENA, PATRICK J	06/22/2017	41316	574.40
CDA	APACHE COUNTY	06/21/2017	41317	462.73
CDA	AZ SECRETARY OF STATE	06/21/2017	41318	43.00
CDA	BROWN & BROWN LAW OFFICES,P.C.	06/21/2017	41319	9,308.15
CDA	ESI CORP	06/21/2017	41320	14,110.00
CDA	FRONTIER	06/21/2017	41321	879.96
CDA	FRONTIER - LONG DISTANCE	06/21/2017	41322	.72
CDA	JACKLING, GABRIELA	06/21/2017	41323	15.85
CDA	MOHAVE ENVIRONMENTAL LAB	06/21/2017	41324	203.00
CDA	NORMAN, MICHAEL	06/21/2017	41325	418.56
CDA	QUALITY READYMIX INC	06/21/2017	41326	496.77
CDA	TJP COMMUNICATIONS LLC	06/21/2017	41327	50.00
CDA	UDALL SAM/STEPHANIE ELY	06/21/2017	41328	67.75
CDA	UNITED RENTALS INC	06/21/2017	41329	1,260.27
CDA	VERIZON WIRELESS	06/21/2017	41330	351.15
CDA	FRONTIER	06/21/2017	41331	37.27
CDPT	Support Payment Clearing House	06/22/2017	41332	92.00
CDPT	Support Payment Clearing House	06/22/2017	41333	217.37
CDPT	PUBLIC SAFETY PERSONNEL	06/22/2017	41334	6,735.51
CDA	AZ DEPT OF CORRECTIONS	06/28/2017	41335	375.00
CDA	CAL GLASS/ GARDNER, CALVIN	06/28/2017	41336	43.86
CDA	CENTRAL ARIZONA SUPPLY	06/28/2017	41337	312.34
CDA	FRONTIER	06/28/2017	41338	1,852.69
CDA	HATCH INDUSTRIES LLC	06/28/2017	41339	15,321.32
CDA	KONICA MINOLTA BUSINESS SOLUTI	06/28/2017	41340	84.22
CDA	MISSION LINEN SUPPLY	06/28/2017	41341	32.83
CDA	NATIONAL BANK OF ARIZONA	06/28/2017	41342	21.97
CDA	REED, ROBERTA	06/28/2017	41343	637.77
CDA	STEARNS, RON	06/28/2017	41344	59.82
CDA	TOWN OF SPRINGVILLE	06/28/2017	41345	1,140.55
CDA	WHITE MOUNTAIN PUBLISHING-IND.	06/28/2017	41346	88.51
CDA	WOODLAND BUILDING CENTER	06/28/2017	41347	886.46
CDP	WILTBANK, MARION - DIR DEP	06/08/2017	6081701	.00
CDP	WILSON, EVA - DIR DEP	06/08/2017	6081702	.00
CDP	RAY, BRUCE - DIR DEP	06/08/2017	6081703	.00
CDP	LOYD, JEREMIAH - DIR DEP	06/08/2017	6081704	.00
CDP	HENDERSON, ELECIA - DIR DEP	06/08/2017	6081705	.00
CDP	CARNRIGHT, LOURDES M. - DIR DEP	06/08/2017	6081706	.00
CDP	SLADE, RONDA - DIR DEP	06/08/2017	6081707	.00
CDP	RICHARDSON, WALKER - DIR DEP	06/08/2017	6081708	.00
CDP	MALY, CLINTON - DIR DEP	06/08/2017	6081709	.00
CDP	CASILLAS, JASON - DIR DEP	06/08/2017	6081710	.00
CDP	GLEESON, WILLIAM - DIR DEP	06/08/2017	6081711	.00
CDP	SWEETSER, MICHAEL G. - DIR DEP	06/08/2017	6081712	.00
CDP	JONES, STEVEN B - DIR DEP	06/08/2017	6081713	.00
CDP	STONESTREET, ROBERT M. - DIR DEP	06/08/2017	6081714	.00
CDP	GILLIAM, ZONA H. - DIR DEP	06/08/2017	6081715	.00
CDP	WITTING, SUMMER G. - DIR DEP	06/08/2017	6081716	.00
CDP	NUTTALL, MARY - DIR DEP	06/08/2017	6081717	.00
CDP	ADAMS, FRANK - DIR DEP	06/08/2017	6081718	.00
CDP	MEACHAM, GEORGE M. - DIR DEP	06/08/2017	6081719	.00
CDP	MCDOWELL, LEVI - DIR DEP	06/08/2017	6081720	.00
CDP	WILSON, CODY J - DIR DEP	06/08/2017	6081721	.00

Journal	Payee or Description	Date	Check No	Amount
CDP	GRIMSHAW, SHEYENNE R. - DIR DEP	06/08/2017	6081722	.00
CDP	BINGHAM, DUSTIE LEA - DIR DEP	06/08/2017	6081723	.00
CDP	BROWNING, ELWIN - DIR DEP	06/08/2017	6081724	.00
CDP	PETERS, SHAWN - DIR DEP	06/08/2017	6081725	.00
CDP	WELCH, RON - DIR DEP	06/08/2017	6081726	.00
CDP	HALL, KENNETH R. JR - DIR DEP	06/08/2017	6081727	.00
CDP	WHITING, "WESLON" RICHARD - DIR DEP	06/08/2017	6081728	.00
CDP	MCLAUGHLIN, FRANK - DIR DEP	06/08/2017	6081729	.00
CDP	WHITE, DOUGLAS R. - DIR DEP	06/08/2017	6081730	.00
CDP	FONYI, JOHN K - DIR DEP	06/08/2017	6081731	.00
CDP	SUTTON, JOSEPH C - DIR DEP	06/08/2017	6081732	.00
CDP	WILTBANK, BRIAN - DIR DEP	06/08/2017	6081733	.00
CDP	GRUNDT, MICHAEL H. - DIR DEP	06/08/2017	6081734	.00
CDP	WILTBANK, MARION - DIR DEP	06/22/2017	6221701	.00
CDP	WILSON, EVA - DIR DEP	06/22/2017	6221702	.00
CDP	RAY, BRUCE - DIR DEP	06/22/2017	6221703	.00
CDP	LOYD, JEREMIAH - DIR DEP	06/22/2017	6221704	.00
CDP	HENDERSON, ELECIA - DIR DEP	06/22/2017	6221705	.00
CDP	CARNRIGHT, LOURDES M. - DIR DEP	06/22/2017	6221706	.00
CDP	SLADE, RONDA - DIR DEP	06/22/2017	6221707	.00
CDP	RICHARDSON, WALKER - DIR DEP	06/22/2017	6221708	.00
CDP	MALY, CLINTON - DIR DEP	06/22/2017	6221709	.00
CDP	CASILLAS, JASON - DIR DEP	06/22/2017	6221710	.00
CDP	GLEESON, WILLIAM - DIR DEP	06/22/2017	6221711	.00
CDP	SWEETSER, MICHAEL G. - DIR DEP	06/22/2017	6221712	.00
CDP	JONES, STEVEN B - DIR DEP	06/22/2017	6221713	.00
CDP	STONESTREET, ROBERT M. - DIR DEP	06/22/2017	6221714	.00
CDP	GILLIAM, ZONA H. - DIR DEP	06/22/2017	6221715	.00
CDP	WITTING, SUMMER G. - DIR DEP	06/22/2017	6221716	.00
CDP	BEARD, PAT - DIR DEP	06/22/2017	6221717	.00
CDP	NUTTALL, MARY - DIR DEP	06/22/2017	6221718	.00
CDP	ADAMS, FRANK - DIR DEP	06/22/2017	6221719	.00
CDP	REED, ROBERTA E. - DIR DEP	06/22/2017	6221720	.00
CDP	BINGHAM, DUSTIE LEA - DIR DEP	06/22/2017	6221721	.00
CDP	PHELPS, JOHN O. - DIR DEP	06/22/2017	6221722	.00
CDP	BROWNING, ELWIN - DIR DEP	06/22/2017	6221723	.00
CDP	PETERS, SHAWN - DIR DEP	06/22/2017	6221724	.00
CDP	WELCH, RON - DIR DEP	06/22/2017	6221725	.00
CDP	HALL, KENNETH R. JR - DIR DEP	06/22/2017	6221726	.00
CDP	WHITING, "WESLON" RICHARD - DIR DEP	06/22/2017	6221727	.00
CDP	MCLAUGHLIN, FRANK - DIR DEP	06/22/2017	6221728	.00
CDP	WHITE, DOUGLAS R. - DIR DEP	06/22/2017	6221729	.00
CDP	FONYI, JOHN K - DIR DEP	06/22/2017	6221730	.00
CDP	SUTTON, JOSEPH C - DIR DEP	06/22/2017	6221731	.00
CDP	WILTBANK, BRIAN - DIR DEP	06/22/2017	6221732	.00
CDP	GRUNDT, MICHAEL H. - DIR DEP	06/22/2017	6221733	.00
CDP	DIRECT DEPOSIT TOTAL	06/08/2017	9220061	37,037.17
CDP	DIRECT DEPOSIT TOTAL	06/22/2017	9220062	37,451.96

Total:	394,264.66
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GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
10-25100	GENERAL FUND - SURCHARGE TO STATE PAYABLE						
780	AZ STATE TREASURER	COURT DOCKET MONEY PAYMEN	MAY17			06/12/2017	1,796.65
10-25110	GENERAL FUND - SURCHARGE TO COUNTY PAYABLE						
390	APACHE COUNTY TREASURER	JAIL FEE/ASSESSMENT FEE	MAY17			06/12/2017	273.10
10-25200	GENERAL FUND - PASS THROUGH PAYABLES						
2720	NATIONAL BANK OF ARIZONA	PETTY CASH - RV ROUNDUP	PETTY CASH			06/01/2017	300.00
3000	PENROD, SHAROD	RV ROUNDUP RUN	JUN17			06/05/2017	825.00
4483	COSAY, TIM JR	RVRU RODEO PAYOUT	JUN17			06/03/2017	92.00
4486	WAGNER, STETSON	RVRU RODEO PAYOUT	JUN17			06/03/2017	63.00
							1,280.00 *
10-35-110	GENERAL FUND - RECREATION/EVENTS - RVRU VENDORS						
4481	BROWN, DELICATE	RV ROUNDUP VENDOR REFUND	JUN17			06/05/2017	112.00
4482	CHAPMAN, VERA	RV ROUNDUP VENDOR REFUND	JUN17			06/05/2017	50.00
							162.00 *
10-35-120	GENERAL FUND - RECREATION/EVENTS - ROUND VALLEY ROUND UP RODEO						
2720	NATIONAL BANK OF ARIZONA	RV ROUNDUP RODEO PAYOUT	JUN17			06/01/2017	14,015.00
3800	THE 100 CLUB	RV ROUNDUP FOOT PURSUIT DC	JUN17			06/03/2017	300.00
4480	OFFICER REED DONATION	DONATION RV ROUNDUP FOOT F	JUN17			06/05/2017	300.00
							14,615.00 *
10-40-596	GENERAL FUND - MAYOR & COUNCIL - BEAUTIFICATION COMMITTEE						
2720	NATIONAL BANK OF ARIZONA	PETTY CASH/WELCOME SIGN	JUNE17			06/01/2017	4.09
10-40-610	GENERAL FUND - MAYOR & COUNCIL - ECONOMIC DEVELOPMENT						
850	BASHAS', INC.	CHAMBER MIXER	290694	27936		05/18/2017	11.29
850	BASHAS', INC.	CHAMBER MIXER	291022	27936		05/18/2017	100.37
4485	QUILTERS HAVEN & TWISTED T	AD - QUILT SHOW BROCHURE	JUN17			05/10/2017	25.00
							136.66 *
Total MAYOR & COUNCIL							140.75
10-41-398	GENERAL FUND - GENERAL GOVERNMENT - COPY MACHINE LEASE						
2330	KONICA MINOLTA BUSINESS SO	C652DS PRINTER COPIER	245517560			05/19/2017	84.22
2330	KONICA MINOLTA BUSINESS SO	C652DS PRINTER COPIER	245973159			06/19/2017	84.22
							168.44 *
10-41-500	GENERAL FUND - GENERAL GOVERNMENT - GENERAL INSURANCE						
290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10665			05/31/2017	921.37
290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10666			05/31/2017	12,636.87
							13,558.24 *
10-41-571	GENERAL FUND - GENERAL GOVERNMENT - ATTORNEY						
990	BROWN & BROWN LAW OFFICE	LEGAL SERVICES-TOWN BUSINE: EAGAR-1189				06/13/2017	1,264.00
990	BROWN & BROWN LAW OFFICE	LEGAL SERVICES-PROSECUTION EAGAR-1190				06/13/2017	3,248.00
							4,512.00 *
10-41-572	GENERAL FUND - GENERAL GOVERNMENT - COMPUTER SUPPORT						
1140	CASELLE, INC	COMPUTER SUPPORT	80709			06/01/2017	567.15
1250	CONQUEST TECHNOLOGY GRO	DOTGOV RENEWAL eagaraz.gov	2324			06/09/2017	130.68
							697.83 *
10-41-578	GENERAL FUND - GENERAL GOVERNMENT - SENIOR CITIZEN CENTER						
3390	RV SENIOR CITIZENS CENTER	CONTRIBUTION SENIOR CENTER	JUN17			06/01/2017	2,083.33
10-41-620	GENERAL FUND - GENERAL GOVERNMENT - MPC EXP UNRELATED TO BONDS						
2770	NAVOPACHE ELEC COOP, INC	150 N MAIN SIGN	N17/2649605			06/09/2017	106.75
10-41-625	GENERAL FUND - GENERAL GOVERNMENT - MPC CAPITAL IMPROVEMENTS						
1970	HATCH INDUSTRIES LLC	BASHAS' PARKING LOT-SEAL ANI	1420	27862		06/26/2017	15,321.32

GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
Total GENERAL GOVERNMENT							36,447.91
10-42-545	GENERAL FUND - MAGISTRATE - RENT						
310	APACHE COUNTY		MAGISTRATE COSTS	JUN17		06/01/2017	500.00
310	APACHE COUNTY		MAGISTRATE COSTS - PHONE BIL	117/333-4821		06/07/2017	37.27
1740	FRONTIER		333-4821/EAGAR MAGISTRATE	117/333-4821		06/07/2017	37.27
							500.00 *
10-42-585	GENERAL FUND - MAGISTRATE - TRAINING & TRAVEL						
3270	REED, ROBERTA		MARRIOTT INN & RESORT	JUN17	27930R	06/26/2017	308.97
3270	REED, ROBERTA		REIMBURSE - MILEAGE & PER-DIE	JUNE17		06/26/2017	328.80
							637.77 *
Total MAGISTRATE							1,137.77
10-44-520	GENERAL FUND - TOWN CLERK - PRINTING & ADVERTISING						
4230	WHITE MOUNTAIN PUBLISHING-		PROPOSED BUDGET	LEGAL#0523		05/30/2017	88.51
10-44-525	GENERAL FUND - TOWN CLERK - POSTAGE & FREIGHT						
2710	NATIONAL BANK OF ARIZONA		2110/USPS	JUN17/2110		06/02/2017	1.82
Total TOWN CLERK							90.33
10-46-310	GENERAL FUND - FINANCE - OFFICE SUPPLIES						
3040	PERSONNEL SAFETY ENTERPR		FIRST AID SUPPLIES	1061715103		05/31/2017	4.64
10-46-525	GENERAL FUND - FINANCE - POSTAGE, FREIGHT & FEES						
2710	NATIONAL BANK OF ARIZONA		2615/USPS	JUN17/2615		06/02/2017	56.00
2710	NATIONAL BANK OF ARIZONA		2615/USPS	JUN17/2615		06/02/2017	42.84
							98.84 *
10-46-526	GENERAL FUND - FINANCE - BANKING FEES						
2710	NATIONAL BANK OF ARIZONA		2813/PAYPALL	JUN17/2813		06/02/2017	4.20
10-46-585	GENERAL FUND - FINANCE - TRAINING & TRAVEL						
4420	WRIGHT EXPRESS FLEET SERV		FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	35.32
Total FINANCE							143.00
10-50-325	GENERAL FUND - POLICE - OPERATING COSTS						
2720	NATIONAL BANK OF ARIZONA		PETTY CASH/PD BICYCLE LIGHT	JUNE17		06/01/2017	3.88
3230	QUILL CORPORATION		OFFICE SUPPLIES	7110822	27942	05/26/2017	63.13
3230	QUILL CORPORATION		OFFICE SUPPLIES	7118423	27942	05/30/2017	57.74
							124.75 *
10-50-350	GENERAL FUND - POLICE - AMMUNITION & GUN SUPPLIES						
1360	DAVIS TRUE VALUE HDWRE, INC		SHOOTING RANGE	43858		05/01/2017	8.50
10-50-398	GENERAL FUND - POLICE - COPY MACHINE LEASE						
2330	KONICA MINOLTA BUSINESS SO		C552 PRINTER/COPIER COLOR	245837312		06/05/2017	4.13
2330	KONICA MINOLTA BUSINESS SO		C552 PRINTER/COPIER	245845985		06/06/2017	167.20

GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
							171.33 *
10-50-400	GENERAL FUND - POLICE - VOLUNTEER UNIFORMS						
	3130 PREMIERE DRY CLEANING	PATCHES - CVP		6466		06/08/2017	12.75
10-50-512	GENERAL FUND - POLICE - WIRELESS ACCESS						
	4120 VERIZON WIRELESS	POLICE MOBILE BROADBAND		9787463615		06/12/2017	320.08
10-50-525	GENERAL FUND - POLICE - POSTAGE & FREIGHT						
	2710 NATIONAL BANK OF ARIZONA	4140/USPS		JUN17/4140		06/02/2017	23.56
10-50-550	GENERAL FUND - POLICE - EQUIPMENT MAINTENANCE						
	3890 TJP COMMUNICATIONS LLC	LABOR - TEST & REPROGRAM RA		17059		06/06/2017	50.00
10-50-570	GENERAL FUND - POLICE - PROFESSIONAL & TECHNICAL SRV						
	4250 WHITE MTN REG MED CNTR	DRUG SCREENING - CVP L. CAST 17/CASTILLO				06/01/2017	75.00
10-50-580	GENERAL FUND - POLICE - DUES & SUBSCRIPTIONS						
	740 AZ SECRETARY OF STATE	NOTARY FILING FEE		N17/GILLIAM		06/13/2017	43.00
10-50-585	GENERAL FUND - POLICE - TRAINING & TRAVEL						
	1150 CASILLAS, JASON	PER-DIEM		/EV#2016118		05/31/2017	162.00
	1820 GILLIAM, ZONA	PER-DIEM		/EV#2016117		05/31/2017	162.00
	2710 NATIONAL BANK OF ARIZONA	0610/HYATT PLACE PHX		JUN17/0610	27883	06/02/2017	441.27
	4420 WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8		49925326		05/31/2017	29.52
							794.79 *
10-50-590	GENERAL FUND - POLICE - INVESTIGATION & EXTRADITION						
	4190 WESTERN DRUG, INC.	SUPPLIES		807244		05/15/2017	21.81
Total POLICE							1,645.57
10-51-310	GENERAL FUND - FIRE - OFFICE SUPPLIES						
	2710 NATIONAL BANK OF ARIZONA	2219/AMAZON WRITING PADS		JUN17/2219		06/02/2017	11.18
10-51-335	GENERAL FUND - FIRE - MACHINERY & EQUIPMENT SUPPLIES						
	2710 NATIONAL BANK OF ARIZONA	2318/FIRE HOSE DIRECT		JUN17/2318		06/02/2017	58.11
	4110 VALLEY AUTO PARTS	GALV METAL DRIP TRAY		5842		05/01/2017	14.08
	4410 WOODLAND BUILDING CENTER	DOOR STOP / AUTO LIGHT CONTI		1705-091806		05/01/2017	32.04
							104.23 *
10-51-525	GENERAL FUND - FIRE - POSTAGE & FREIGHT						
	2710 NATIONAL BANK OF ARIZONA	2318/USPS		JUN17/2318		06/02/2017	1.19
10-51-580	GENERAL FUND - FIRE - DUES & SUBSCRIPTIONS						
	1460 EAGAR FIREFIGHTER ASSOCIAT	INCIDENTAL PAY TO DEPT - DUES		AY17/170605		06/05/2017	40.00
Total FIRE							156.60
10-52-585	GENERAL FUND - FIRE CONTINUED/WILDLAND - TRAINING & TRAVEL						
	2710 NATIONAL BANK OF ARIZONA	2219/LARGO CAFE		JUN17/2219		06/02/2017	11.72
	2710 NATIONAL BANK OF ARIZONA	2219/LARGO MOTEL		JUN17/2219		06/02/2017	126.83
	2710 NATIONAL BANK OF ARIZONA	2219/LARGO CAFE		JUN17/2219		06/02/2017	17.53
	2710 NATIONAL BANK OF ARIZONA	2219/LARGO CAFE		JUN17/2219		06/02/2017	6.75
	2710 NATIONAL BANK OF ARIZONA	2219/LARGO CAFE		JUN17/2219		06/02/2017	16.72
	2710 NATIONAL BANK OF ARIZONA	2219/DDT HOTEL		JUN17/2219		06/02/2017	102.13
	2710 NATIONAL BANK OF ARIZONA	2219/LARGO CAFE		JUN17/2219		06/02/2017	23.10

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GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
2820	NORMAN, MICHAEL		REIMBURSE WILDFIRE TRAVEL E	JUN17		06/12/2017	418.56
4420	WRIGHT EXPRESS FLEET SERV		FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	222.20
							945.54 *
Total FIRE CONTINUED/WILDLAND							945.54
10-53-515	GENERAL FUND - POLICE CONT/ANIMAL CONTRO - SHELTER COST SHARE						
3920	TOWN OF SPRINGERVILLE		KENNEL CHARGES	TOS 06-2017		06/20/2017	1,140.55
Total POLICE CONT/ANIMAL CONTRO							1,140.55
10-55-611	GENERAL FUND - PARKS & RECREATION - ROUND VALLEY ROUND UP						
1290	COWBOY UP HAY & RANCH SUF		FEED FOR RODEO STOCK- RV RC	162122	27939	06/01/2017	1,603.58
1975	HAUGHT, TREVOR		ANNOUNCER - RV ROUND UP RO	JUN17	27933	06/03/2017	1,200.00
2710	NATIONAL BANK OF ARIZONA		0511/QCOUNTRY - RV ROUND UP	JUN17/0511	27923	06/02/2017	509.49
2710	NATIONAL BANK OF ARIZONA		0511/AMAZON GROMMETS	JUN17/0511		06/02/2017	9.14
2710	NATIONAL BANK OF ARIZONA		0917/FLAGS - RV ROUNDUP	JUN17/0917	27903	06/02/2017	340.90
							3,663.11 *
10-55-614	GENERAL FUND - PARKS & RECREATION - FOURTH OF JULY						
3920	TOWN OF SPRINGERVILLE		4TH OF JULY FIRE WORKS - 2017	JUN2017		06/12/2017	3,000.00
Total PARKS & RECREATION							6,663.11
10-58-290	GENERAL FUND - FACILITIES - PRISON LABOR CHARGES						
680	AZ DEPT OF CORRECTIONS		INTER/AGREE INMATE-MILEAGE	WEAG0517		06/09/2017	64.08
690	AZ DEPT OF CORRECTIONS		INTERGOVEN/AGGREE INMATE L	35103170608		06/09/2017	117.00
690	AZ DEPT OF CORRECTIONS		INTERGOVEN/AGGREE INMATE L	35103170622		06/26/2017	112.50
							293.58 *
10-58-320	GENERAL FUND - FACILITIES - CLEANING & SANITARY SUPPLIES						
1360	DAVIS TRUE VALUE HDWRE, INC		FLAG POLE REPAIRS	44057		05/26/2017	6.09
1450	E & E SERVICES, INC.		LOTION SKIN CLEANSER	A189897		05/30/2017	74.28
1450	E & E SERVICES, INC.		40x46 45G 1.3MIL BLACK	A190005		06/06/2017	52.71
							133.08 *
10-58-350	GENERAL FUND - FACILITIES - SMALL TOOLS AND EQUIPMENT						
2720	NATIONAL BANK OF ARIZONA		PETTY CASH/POW FLAG	JUNE17		06/01/2017	14.00
4410	WOODLAND BUILDING CENTER		100PK RED FLAGS	1704-091039		04/27/2017	10.90
4410	WOODLAND BUILDING CENTER		MATERIALS	1704-091041		04/27/2017	11.28
4410	WOODLAND BUILDING CENTER		ADJUSTABLE NOZZLE	1704-091042		04/27/2017	9.79
4410	WOODLAND BUILDING CENTER		TURF BUILDER WEED FEED	1705-092279		05/03/2017	14.73
4410	WOODLAND BUILDING CENTER		TURF BUILDER WEED FEED	1705-092279		05/03/2017	14.72
4410	WOODLAND BUILDING CENTER		TURF BUILDER WEED FEED	1705-092279		05/03/2017	14.73
4410	WOODLAND BUILDING CENTER		TURF BUILDER WEED FEED	1705-092279		05/03/2017	14.72
4410	WOODLAND BUILDING CENTER		4PK 13W T2 CFL BULB	1705-093952		05/09/2017	25.73
4410	WOODLAND BUILDING CENTER		TAPE TEFLON JOINT 1/2X300	1705-095755		05/16/2017	4.55
4410	WOODLAND BUILDING CENTER		ZIP TIES	1706-103747		06/15/2017	8.61
							143.76 *
10-58-355	GENERAL FUND - FACILITIES - SAFETY EQUIPMENT						
4110	VALLEY AUTO PARTS		GLOVES	5922		05/03/2017	8.07
10-58-360	GENERAL FUND - FACILITIES - BUILDING REPAIR MATERIAL & SUP						
2580	MISSION LINEN SUPPLY		CLEANING SUPPLIES	505045902		06/02/2017	96.09
4410	WOODLAND BUILDING CENTER		MATERIALS	1705-097573		05/24/2017	7.98
4410	WOODLAND BUILDING CENTER		FUSES	1706-101719		06/08/2017	79.95

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	4410	WOODLAND BUILDING CENTER	MATERIALS	1706-103358		06/14/2017	14.70
	4410	WOODLAND BUILDING CENTER	FLOUR TUBE	1706-103391		06/14/2017	10.90
	4410	WOODLAND BUILDING CENTER	REC CENTER LIGHTS	1706-103750	27948	06/15/2017	413.10
	4410	WOODLAND BUILDING CENTER	FURNACE FILTER	1706-105323		06/21/2017	3.04
							625.76 *
10-58-380	GENERAL FUND - FACILITIES - PARK & GROUNDS MATERIALS						
	1360	DAVIS TRUE VALUE HOWRE, INC	PARTS	43917		05/10/2017	9.57
	2580	MISSION LINEN SUPPLY	CLEANING SUPPLIES	504999565		05/26/2017	48.05
	2710	NATIONAL BANK OF ARIZONA	2714/AMAZON ORTHO GROUND C	JUN17/2714	27925	06/02/2017	166.56
	4410	WOODLAND BUILDING CENTER	MATERIALS	1705-093955		05/09/2017	30.71
	4410	WOODLAND BUILDING CENTER	MATERIALS	1705-093956		05/09/2017	15.66
	4410	WOODLAND BUILDING CENTER	ADJUSTABLE POPUP HEAD	1706-099628		06/01/2017	7.62
	4410	WOODLAND BUILDING CENTER	WASHERS	1706-099775		06/01/2017	6.11
							284.28 *
10-58-505	GENERAL FUND - FACILITIES - ELECTRICITY						
	2770	NAVOPACHE ELEC COOP, INC	TRUCK SHOP #2	N17/2440705		06/09/2017	862.83
	2770	NAVOPACHE ELEC COOP, INC	TRUCK LINE	N17/2440905		06/09/2017	587.42
	2770	NAVOPACHE ELEC COOP, INC	1ST AVE NE 1/4	N17/2492805		06/09/2017	194.85
	2770	NAVOPACHE ELEC COOP, INC	EAGAR FIR DPT #2	N17/2492905		06/09/2017	284.42
	2770	NAVOPACHE ELEC COOP, INC	STREET LIGHTS	N17/2524205		06/09/2017	24.04
	2770	NAVOPACHE ELEC COOP, INC	STREET LIGHT U2	N17/2525205		06/09/2017	24.04
	2770	NAVOPACHE ELEC COOP, INC	RV BALL PARK	N17/2551305		06/09/2017	459.83
	2770	NAVOPACHE ELEC COOP, INC	EAGAR TRAFFIC LIGHT	N17/2633905		06/09/2017	82.44
	2770	NAVOPACHE ELEC COOP, INC	578 N MAIN ST	N17/2654606		06/09/2017	214.21
	2770	NAVOPACHE ELEC COOP, INC	578 N MAIN ST	N17/2654606		06/09/2017	214.20
	2770	NAVOPACHE ELEC COOP, INC	STREET LIGHTS	N17/2675205		06/09/2017	1,142.01
	2770	NAVOPACHE ELEC COOP, INC	RVPD, EAGAR PUBLIC WORKS	N17/2681605		06/09/2017	80.35
	2770	NAVOPACHE ELEC COOP, INC	174 S MAIN	N17/4124705		06/09/2017	669.18
	2770	NAVOPACHE ELEC COOP, INC	6TH AVE AND MAIN	N17/6487100		06/09/2017	6.50
	2770	NAVOPACHE ELEC COOP, INC	181 N EAGAR ST	N17/6496200		06/09/2017	57.44
	2770	NAVOPACHE ELEC COOP, INC	247 E 2ND AVE	N17/6726400		06/09/2017	247.36
	2770	NAVOPACHE ELEC COOP, INC	246 E 2ND AVE/RACKETTBALL CC	N17/7111000		06/09/2017	85.70
	2770	NAVOPACHE ELEC COOP, INC	194 N MAIN/GAZEBO CENTNL PR	N17/7569700		06/09/2017	48.23
							5,284.85 *
10-58-510	GENERAL FUND - FACILITIES - TELEPHONE						
	1740	FRONTIER	333-4363/FIRE DPT	208-099-0069		06/15/2017	297.84
	1740	FRONTIER	333-2502/YARD	208-099-0069		06/15/2017	270.60
	1740	FRONTIER	333-1068/TOWN HALL	208-099-0069		06/15/2017	1,284.25
	1740	FRONTIER	333-4000/DISPATCH - ETHERNET	JUN17/4000		06/07/2017	491.96
	1740	FRONTIER	TOWN HALL ETHERNET	JUN17/4000		06/07/2017	194.00
	1740	FRONTIER	PW ETHERNET	JUN17/4000		06/07/2017	194.00
	1750	FRONTIER - LONG DISTANCE	LONG DISTANCE	4828498		06/10/2017	.72
							2,733.37 *
10-58-573	GENERAL FUND - FACILITIES - TRASH/DEBRIS DISPOSAL						
	950	BLUE HILLS ENVIRONMENTAL A	GARBAGE/RAMSEY PARK	9213516		06/01/2017	42.20
	950	BLUE HILLS ENVIRONMENTAL A	GARBAGE/TOWN HALL	9213516		06/01/2017	42.20
	950	BLUE HILLS ENVIRONMENTAL A	GARBAGE/MAINT. YARD	9213516		06/01/2017	76.28
	950	BLUE HILLS ENVIRONMENTAL A	GARBAGE/SEWER PONDS	9213516		06/01/2017	56.81
	950	BLUE HILLS ENVIRONMENTAL A	GARBAGE/REC CENTER	9213516		06/01/2017	56.81
	950	BLUE HILLS ENVIRONMENTAL A	GARBAGE/RAMSEY PARK	9213516		06/01/2017	112.52
							386.82 *
10-58-575	GENERAL FUND - FACILITIES - EAPPA						
	1510	EAPPA	PREPAYMENT TO DEPT OF ENER	0317E		06/13/2017	545.94
	1510	EAPPA	PREPAYMENT TO DEPT OF ENER	0417E		06/13/2017	1,503.66
							2,049.60 *

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Total FACILITIES							11,943.17
10-59-290	GENERAL FUND - FLEET MAINTENANCE - PRISON LABOR CHARGES						
	680	AZ DEPT OF CORRECTIONS	INTER/AGREE INMATE-MILEAGE	WEAG0517		06/09/2017	21.36
	690	AZ DEPT OF CORRECTIONS	INTERGOVEN/AGGREE INMATE L	35103170608		06/09/2017	39.00
	690	AZ DEPT OF CORRECTIONS	INTERGOVEN/AGGREE INMATE L	35103170622		06/26/2017	37.50
							97.86 *
10-59-300	GENERAL FUND - FLEET MAINTENANCE - CLOTHING ALLOWANCE						
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	504999601		05/26/2017	18.88
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	505045939		06/02/2017	18.88
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	505083813		06/09/2017	18.88
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	505181390		06/23/2017	18.88
							75.52 *
10-59-305	GENERAL FUND - FLEET MAINTENANCE - SHOP SUPPLIES						
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	504999601		05/26/2017	13.95
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	505045939		06/02/2017	13.95
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	505083813		06/09/2017	13.95
	2580	MISSION LINEN SUPPLY	LINEN SERVICE	505181390		06/23/2017	13.95
							55.80 *
10-59-330	GENERAL FUND - FLEET MAINTENANCE - TRUCK & AUTO SUPPLIES						
	1110	CARQUEST OF SPRINGERVILLE	REAR MIRROR ADHESIVE	650999		05/01/2017	6.32
	1110	CARQUEST OF SPRINGERVILLE	AUTO PARTS	651057		05/02/2017	34.19
	1110	CARQUEST OF SPRINGERVILLE	AIR DOOR ACTUATOR	651971		05/15/2017	52.90
	4110	VALLEY AUTO PARTS	RADIATOR RESERVOIR	6910	27940	05/24/2017	57.39
	4110	VALLEY AUTO PARTS	RADIATOR RESERVOIR	6910	27940	05/24/2017	57.39
	4110	VALLEY AUTO PARTS	RADIATOR RESERVOIR	6910	27940	05/24/2017	57.40
	4110	VALLEY AUTO PARTS	RADIATOR RESERVOIR	6910	27940	05/24/2017	57.39
	4110	VALLEY AUTO PARTS	STARTER SOLENOID	7013		05/25/2017	49.15
							372.13 *
10-59-337	GENERAL FUND - FLEET MAINTENANCE - MACHINERY/EQUIP SUPPLIES						
	1110	CARQUEST OF SPRINGERVILLE	GAS CAP	651225		05/04/2017	6.24
	1110	CARQUEST OF SPRINGERVILLE	RETURN	651487		05/08/2017	59.99 -
	1110	CARQUEST OF SPRINGERVILLE	FUEL PUMP	651489		05/08/2017	43.62
	1110	CARQUEST OF SPRINGERVILLE	BATTERY CHARGER	651947		05/15/2017	37.63
	1110	CARQUEST OF SPRINGERVILLE	DIY PKG TUBE TYPE TIRES IEA 2	651970		05/15/2017	9.75
	1110	CARQUEST OF SPRINGERVILLE	STUD-MT TRLR LGHT	652026		05/16/2017	27.25
	1110	CARQUEST OF SPRINGERVILLE	RELAY	652544		05/23/2017	12.61
	1110	CARQUEST OF SPRINGERVILLE	PIGTAIL	652575		05/24/2017	10.41
	1110	CARQUEST OF SPRINGERVILLE	24 KLEENVIEW WIPER BLADE	653068		05/31/2017	22.88
	1560	EMPIRE SOUTHWEST	RETURN	MPC0552712		05/09/2017	457.72 -
	1560	EMPIRE SOUTHWEST	BATTERY	MPS4102650		04/26/2017	457.72
	1560	EMPIRE SOUTHWEST	BATTERY	MPS4112608	27914	05/10/2017	165.31
	1560	EMPIRE SOUTHWEST	BATTERY	MPS4112608	27914	05/10/2017	457.72
	4040	UNITED RENTALS INC	PARTS	7634519-001	27946	06/19/2017	1,260.27
	4110	VALLEY AUTO PARTS	PLUGS	6265		05/10/2017	9.89
	4110	VALLEY AUTO PARTS	WELDING CABLE	6449		05/15/2017	23.11
	4110	VALLEY AUTO PARTS	REGULATOR TP/CAP/GASKET	6908		05/24/2017	68.66
							2,095.16 *
10-59-340	GENERAL FUND - FLEET MAINTENANCE - GF GAS						
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	23.28
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	312.30
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	1,596.51
							1,932.09 *
10-59-342	GENERAL FUND - FLEET MAINTENANCE - OIL & LIBRICANTS						
	1110	CARQUEST OF SPRINGERVILLE	OIL	651008		05/01/2017	35.97
	1110	CARQUEST OF SPRINGERVILLE	OIL	651018		05/01/2017	35.97

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	1110	CARQUEST OF SPRINGERVILLE	PS STOP LEAK	651239		05/04/2017	25.07
	1110	CARQUEST OF SPRINGERVILLE	GEAR SHEILD	651263		05/04/2017	15.04
	1110	CARQUEST OF SPRINGERVILLE	FUEL INJ CLEANER - TECHRN	651506		05/08/2017	28.78
	1110	CARQUEST OF SPRINGERVILLE	LUBE	651616		05/09/2017	7.17
	1110	CARQUEST OF SPRINGERVILLE	ANTIFRZ DEX 50/50	651649		05/10/2017	91.58
	1110	CARQUEST OF SPRINGERVILLE	DIESEL FUEL SUPPLEMENT 80oz	652135		05/17/2017	42.53
	1110	CARQUEST OF SPRINGERVILLE	ROTT4TR 15W40	652168		05/18/2017	49.06
	1110	CARQUEST OF SPRINGERVILLE	FINAL CHARGE 50/50 G	652573		05/24/2017	98.12
	1110	CARQUEST OF SPRINGERVILLE	HD SILICONE SPRAY	652685		05/25/2017	4.35
	1110	CARQUEST OF SPRINGERVILLE	DIESEL FUEL SUPPLEMENT 80oz	652944		05/30/2017	42.53
	1110	CARQUEST OF SPRINGERVILLE	ZX G-05 RTU AFC	652948		05/30/2017	81.76
	4110	VALLEY AUTO PARTS	8OZ MIX OIL 6PK	6457		05/15/2017	15.25
	4110	VALLEY AUTO PARTS	TURBO POWER DSL XLIFE 50	6889		05/23/2017	51.36
	4410	WOODLAND BUILDING CENTER	50:1 PRE-MIXED FUEL	1705-095218		05/15/2017	19.62
							644.16 *
10-59-345	GENERAL FUND - FLEET MAINTENANCE - PW FUEL						
	970	BRADCO	CLEAR/DYED DIESEL	61087		05/24/2017	518.34
	970	BRADCO	CLEAR/DYED DIESEL	61087		05/24/2017	1,036.65
	970	BRADCO	CLEAR/DYED DIESEL	61087		05/24/2017	518.34
	1110	CARQUEST OF SPRINGERVILLE	8 CYC RESTORER	652941		05/30/2017	14.72
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	400.94
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	591.49
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	736.80
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	354.93
	4420	WRIGHT EXPRESS FLEET SERV	FUEL ACCT#0403-00-652563-8	49925326		05/31/2017	381.79
							4,554.00 *
10-59-350	GENERAL FUND - FLEET MAINTENANCE - SMALL TOOLS AND EQUIPMENT						
	1110	CARQUEST OF SPRINGERVILLE	FUSE BLOCK	650986		05/01/2017	16.35
	1110	CARQUEST OF SPRINGERVILLE	FILTERS	650998		05/01/2017	29.41
	1110	CARQUEST OF SPRINGERVILLE	SLIME SD 1 GAL W/PUMP	651016		05/01/2017	31.08
	1110	CARQUEST OF SPRINGERVILLE	FILTER	651178		05/03/2017	8.10
	1110	CARQUEST OF SPRINGERVILLE	THREADED ROD 3/8-16	651204		05/03/2017	8.17
	1110	CARQUEST OF SPRINGERVILLE	AUTO PARTS	651238		05/04/2017	28.90
	1110	CARQUEST OF SPRINGERVILLE	FUEL PUMP	651404		05/05/2017	59.99
	1110	CARQUEST OF SPRINGERVILLE	DUEL HEAD CHUCK/PAINT MARKI	651481		05/08/2017	63.67
	1110	CARQUEST OF SPRINGERVILLE	RBR WHEEL CHOCK USA	651491		05/08/2017	15.07
	1110	CARQUEST OF SPRINGERVILLE	GUAGE AIR 0-160	651495		05/08/2017	19.08
	1110	CARQUEST OF SPRINGERVILLE	AIR/LUBE/FUEL	651610		05/09/2017	48.30
	1110	CARQUEST OF SPRINGERVILLE	AIR FRESHNER	651644		05/10/2017	13.05
	1110	CARQUEST OF SPRINGERVILLE	SPARK PLUG	6518025		05/12/2017	9.56
	1110	CARQUEST OF SPRINGERVILLE	UTILITY ROLL	651949		05/15/2017	59.99
	1110	CARQUEST OF SPRINGERVILLE	SPECIAL APP DISP	651951		05/15/2017	5.86
	1110	CARQUEST OF SPRINGERVILLE	SPECIAL APP DISP	651952		05/15/2017	5.86
	1110	CARQUEST OF SPRINGERVILLE	FUEL INJ CLNR-TECHRN/FILTER	652010		05/16/2017	44.64
	1110	CARQUEST OF SPRINGERVILLE	FILTERS	652134		05/17/2017	91.04
	1110	CARQUEST OF SPRINGERVILLE	JET	652670		05/25/2017	13.46
	1110	CARQUEST OF SPRINGERVILLE	LENS CLEAR PLASTIC	652707		05/25/2017	3.25
	1110	CARQUEST OF SPRINGERVILLE	FILTERS	652942		05/30/2017	21.78
	1110	CARQUEST OF SPRINGERVILLE	ACRYL ENAM-FLT WHITE	652972		05/30/2017	12.35
	1110	CARQUEST OF SPRINGERVILLE	COBALT DRL BIT 17/64	652974		05/30/2017	10.35
	4110	VALLEY AUTO PARTS	VEHICLE PARTS	5792		05/01/2017	40.83
	4110	VALLEY AUTO PARTS	BULK SOLDERLESS TERMINAL	5802		05/01/2017	7.57
	4110	VALLEY AUTO PARTS	BEARINGS	5857		05/02/2017	88.47
	4110	VALLEY AUTO PARTS	3M SAFETY-WALK	6225		05/09/2017	76.92
	4110	VALLEY AUTO PARTS	BATTERY MAINT	6311		05/11/2017	35.00
	4110	VALLEY AUTO PARTS	8OZ MIX OIL 6PK	6456		05/15/2017	15.25
	4110	VALLEY AUTO PARTS	10M3KXREEL/10G10FFORX90S	6978		05/25/2017	62.34
	4410	WOODLAND BUILDING CENTER	MATERIALS	1705-093810		05/09/2017	7.30

PD = Fully Paid Invoice PR = Partially Paid Invoice

GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
4410	WOODLAND BUILDING CENTER	SCREWS		1705-093908		05/09/2017	4.71
10-59-555	GENERAL FUND - FLEET MAINTENANCE - VEHICLE & EQUIPMENT MAINTENANC						957.70 *
1110	CARQUEST OF SPRINGERVILLE	MITCHELL REPAIR		MIT480		05/31/2017	24.99
1110	CARQUEST OF SPRINGERVILLE	MITCHELL REPAIR		MIT480		05/31/2017	24.99
1110	CARQUEST OF SPRINGERVILLE	MITCHELL REPAIR		MIT480		05/31/2017	24.99
1110	CARQUEST OF SPRINGERVILLE	MITCHELL REPAIR		MIT480		05/31/2017	24.99
1110	CARQUEST OF SPRINGERVILLE	MITCHELL REPAIR		MIT480		05/31/2017	25.00
1110	CARQUEST OF SPRINGERVILLE	MITCHELL REPAIR		MIT480		05/31/2017	24.99
10-59-790	GENERAL FUND - FLEET MAINTENANCE - IMPOUND TOWING						149.95 *
100	A & B TOWING AUTO BODY REP	TOW - IMPOUND YARD		0526		03/12/2017	100.00
Total FLEET MAINTENANCE							11,034.37
Total GENERAL FUND							89,615.42
30-60-290	HIGHWAY USERS REVENUE FUND - HURF - PRISON LABOR CHARGES						
680	AZ DEPT OF CORRECTIONS	INTER/AGREE INMATE-MILEAGE	WEAG0517			06/09/2017	106.80
690	AZ DEPT OF CORRECTIONS	INTERGOVEN/AGGREE INMATE L	35103170608			06/09/2017	195.00
690	AZ DEPT OF CORRECTIONS	INTERGOVEN/AGGREE INMATE L	35103170622			06/26/2017	187.50
							489.30 *
30-60-310	HIGHWAY USERS REVENUE FUND - HURF - OFFICE SUPPLIES						
3040	PERSONNEL SAFETY ENTERPR	FIRST AID SUPPLIES	1061715103			05/31/2017	4.64
30-60-350	HIGHWAY USERS REVENUE FUND - HURF - SMALL TOOLS & HARDWARE						
4410	WOODLAND BUILDING CENTER	GAL POUR DRWY CRK SEALER	1706-105724			06/22/2017	23.98
4410	WOODLAND BUILDING CENTER	MATERIALS	1706-105941			06/22/2017	17.98
							41.96 *
30-60-355	HIGHWAY USERS REVENUE FUND - HURF - SAFETY EQUIPMENT						
2710	NATIONAL BANK OF ARIZONA	2714/AMAZON 2 CYCLE OIL 6PK	JUN17/2714			06/02/2017	88.47
4110	VALLEY AUTO PARTS	GLOVES	5922			05/03/2017	33.20
							121.67 *
30-60-365	HIGHWAY USERS REVENUE FUND - HURF - RIGHT-OF-WAY SUPPLIES						
4410	WOODLAND BUILDING CENTER	WEEDEATER KNOBS	1706-101530			06/08/2017	39.21
30-60-370	HIGHWAY USERS REVENUE FUND - HURF - ROAD MATRL-SUPPLIES PAVING						
1980	HAWKER & EVANS ASPHALT CC	CHIPSEAL	72850	27928	05/30/2017	41,672.33	
3210	QUALITY READYMIX INC	CONCRETE - OLD GRISTMILL	9435654438	27941	05/25/2017	487.77	
4410	WOODLAND BUILDING CENTER	DUCTTAPE/DBLE SIDED KEY	1705-096173		05/18/2017	21.35	
4410	WOODLAND BUILDING CENTER	PRO DUCT TAPE	1705-096330		05/18/2017	19.18	
							42,200.63 *
30-60-500	HIGHWAY USERS REVENUE FUND - HURF - GENERAL INSURANCE						
290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10665		05/31/2017	608.71	
290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10666		05/31/2017	8,348.60	
							8,957.31 *
30-60-525	HIGHWAY USERS REVENUE FUND - HURF - POSTAGE, FREIGHT & FEES						
2710	NATIONAL BANK OF ARIZONA	2615/USPS	JUN17/2615		06/02/2017	18.36	
2710	NATIONAL BANK OF ARIZONA	2615/USPS	JUN17/2615		06/02/2017	24.00	
							42.36 *
30-60-526	HIGHWAY USERS REVENUE FUND - HURF - BANKING FEES						
2710	NATIONAL BANK OF ARIZONA	2813/PAYPALL	JUN17/2813		06/02/2017	1.80	
30-60-570	HIGHWAY USERS REVENUE FUND - HURF - PROFESSIONAL & TECHNICAL SRV						

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1420	DOYLE'S AUTO BODY, INC.	REPAIR DODGE	15381	27926	06/05/2017	4,454.82
2710	NATIONAL BANK OF ARIZONA	2714/MVD	JUN17/2714		06/02/2017	4.00
						4,458.82 *
30-60-572	HIGHWAY USERS REVENUE FUND - HURF - COMPUTER SUPPORT					
1140	CASELLE, INC	COMPUTER SUPPORT	80709		06/01/2017	573.23
1250	CONQUEST TECHNOLOGY GRO	DOTGOV RENEWAL eagaraz.gov	2324		06/09/2017	132.08
						705.31 *
Total HURF						57,063.01
Total HIGHWAY USERS REVENUE FUND						57,063.01
35-74-370	GRANTS FUND - ELK TRAIL LANDSCAPING - MATERIALS/CONSTRUCTION					
1180	CENTRAL ARIZONA SUPPLY	PIPE - ELK TRAIL	3648363-00	27953	06/22/2017	275.66
4410	WOODLAND BUILDING CENTER	RENTAL - DITCHWITCH	1706-105338	27951	06/21/2017	210.02
						485.68 *
Total ELK TRAIL LANDSCAPING						485.68
35-77-570	GRANTS FUND - REDE-16-03 - PROFESSIONAL & TECHNICAL SERVI					
1605	ESI CORP	REDE-EAGAR ECO DEVELOP STF	1717	27893	06/20/2017	14,110.00
Total REDE-16-03						14,110.00
Total GRANTS FUND						14,595.68
50-24100	UTILITY ENTERPRISE FUND - CUSTOMER DEPOSITS					
4484	HATCH FAMILY LTD PARTNERSH	DEPOSIT REFUND	JUN17		06/01/2017	51.59
4487	MARISCAL, TOMMI	DEPOSIT REFUND	JUN17		06/05/2017	20.59
4488	SPARKMAN, AMANDA	DEPOSIT REFUND	JUN17		06/05/2017	92.40
4489	JACKLING, GABRIELA	DEPOSIT REFUND	JUN17		06/19/2017	15.85
4490	UDALL SAM/STEPHANIE ELY	DEPOSIT REFUND	JUN17		06/20/2017	67.75
4492	CAL GLASS/ GARDNER, CALVIN	DEPOSIT REFUND	JUN17		06/26/2017	43.86
4493	STEARNS, RON	DEPOSIT REFUND	JUN17		06/27/2017	59.82
						351.86 *
50-81-300	UTILITY ENTERPRISE FUND - WATER - CLOTHING ALLOWANCE					
2710	NATIONAL BANK OF ARIZONA	0917/CABELLAS WORK BOOTS SI	JUN17/0917		06/02/2017	158.18
50-81-310	UTILITY ENTERPRISE FUND - WATER - OFFICE SUPPLIES					
1050	BUSINESS SOLUTIONS GROUP I	WATER/SEWER APPLICATIONS	14020		06/05/2017	165.73
3040	PERSONNEL SAFETY ENTERPR	FIRST AID SUPPLIES	1061715103		05/31/2017	18.55
						184.28 *
50-81-350	UTILITY ENTERPRISE FUND - WATER - SMALL TOOLS & HARDWARE					
2710	NATIONAL BANK OF ARIZONA	0917/DOLLAR GENERAL	JUN17/0917		06/02/2017	25.64
50-81-355	UTILITY ENTERPRISE FUND - WATER - SAFETY EQUIPMENT					
4110	VALLEY AUTO PARTS	GLOVES	5922		05/03/2017	24.23
50-81-500	UTILITY ENTERPRISE FUND - WATER - GENERAL INSURANCE					
290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10665		05/31/2017	315.16
290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10666		05/31/2017	4,322.46

GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
50-81-505	UTILITY ENTERPRISE FUND - WATER - ELECTRICITY						4,637.62 *
2770	NAVOPACHE ELEC COOP, INC	FLAT TOP-BOOSTER PUMP	N17/2440505			06/09/2017	47.56
2770	NAVOPACHE ELEC COOP, INC	HALL WELL	N17/2459205			06/09/2017	4,592.55
2770	NAVOPACHE ELEC COOP, INC	RAMSEY PARK WELL	N17/2493205			06/09/2017	47.14
2770	NAVOPACHE ELEC COOP, INC	TRANSFER STAT WELL	N17/2678105			06/09/2017	106.72
2770	NAVOPACHE ELEC COOP, INC	148 N OLD GRISTMILL	N17/2678508			06/09/2017	828.55
2770	NAVOPACHE ELEC COOP, INC	RIVER RD #1	N17/2680305			06/09/2017	47.12
2770	NAVOPACHE ELEC COOP, INC	695 W 4TH ST	N17/3669005			06/09/2017	1,976.61
2770	NAVOPACHE ELEC COOP, INC	808 JUNIPER ST	N17/3941605			06/09/2017	384.23
2770	NAVOPACHE ELEC COOP, INC	525 #3 MARICOPA	N17/6788701			06/09/2017	833.48
2770	NAVOPACHE ELEC COOP, INC	WELL SAFARI & SCH BUS R	N17/6788800			06/09/2017	124.25
							8,988.21 *
50-81-511	UTILITY ENTERPRISE FUND - WATER - CELL PHONES						
4120	VERIZON WIRELESS	ON CALL CELL PHONE	9787463615			06/12/2017	15.53
50-81-525	UTILITY ENTERPRISE FUND - WATER - POSTAGE, FREIGHT & FEES						
2710	NATIONAL BANK OF ARIZONA	0917/USPS	JUN17/0917			06/02/2017	7.29
2710	NATIONAL BANK OF ARIZONA	0917/USPS	JUN17/0917			06/02/2017	7.29
2710	NATIONAL BANK OF ARIZONA	2615/USPS	JUN17/2615			06/02/2017	122.40
2710	NATIONAL BANK OF ARIZONA	2615/USPS	JUN17/2615			06/02/2017	160.00
							296.98 *
50-81-526	UTILITY ENTERPRISE FUND - WATER - BANKING FEES						
2710	NATIONAL BANK OF ARIZONA	2813/PAYPAL	JUN17/2813			06/02/2017	12.00
50-81-535	UTILITY ENTERPRISE FUND - WATER - MATERIAL TESTING						
2600	MOHAVE ENVIRONMENTAL LAB	WATER TESTING	80891	27949		06/20/2017	160.00
50-81-571	UTILITY ENTERPRISE FUND - WATER - WATER ADJ ATTNY FEES						
990	BROWN & BROWN LAW OFFICE	ADJUDICATION	DJ-LCR-1176			06/13/2017	4,796.15
50-81-572	UTILITY ENTERPRISE FUND - WATER - COMPUTER SUPPORT						
1140	CASELLE, INC	COMPUTER SUPPORT	80709			06/01/2017	303.45
1250	CONQUEST TECHNOLOGY GRO	DOTGOV RENEWAL eagaraz.gov	2324			06/09/2017	69.92
							373.37 *
50-81-575	UTILITY ENTERPRISE FUND - WATER - EAPPA						
1510	EAPPA	PREPAYMENT TO DEPT OF ENER	0317E			06/13/2017	534.79
1510	EAPPA	PREPAYMENT TO DEPT OF ENER	0417E			06/13/2017	1,472.98
							2,007.77 *
Total WATER							21,679.96
50-82-290	UTILITY ENTERPRISE FUND - WASTEWATER - PRISON LABOR CHARGES						
680	AZ DEPT OF CORRECTIONS	INTER/AGREE INMATE-MILEAGE	WEAG0517			06/09/2017	21.36
690	AZ DEPT OF CORRECTIONS	INTERGOVEN/AGGREE INMATE L	35103170608			06/09/2017	39.00
690	AZ DEPT OF CORRECTIONS	INTERGOVEN/AGGREE INMATE L	35103170622			06/26/2017	37.50
							97.86 *
50-82-310	UTILITY ENTERPRISE FUND - WASTEWATER - OFFICE SUPPLIES						
1050	BUSINESS SOLUTIONS GROUP I	WATER/SEWER APPLICATIONS	14020			06/05/2017	165.73
3040	PERSONNEL SAFETY ENTERPR	FIRST AID SUPPLIES	1061715103			05/31/2017	18.54
							184.27 *
50-82-331	UTILITY ENTERPRISE FUND - WASTEWATER - SEWER TRANSMISSION LINE						
3910	TOWN OF SPRINGERVILLE	SEWER TRANSMISSION LINE	I17/40424200			06/01/2017	139.97
3910	TOWN OF SPRINGERVILLE	SEWER TRANSMISSION LINE	I17/40424400			06/01/2017	135.03
3910	TOWN OF SPRINGERVILLE	SEWER TRANSMISSION LINE	I17/40424600			06/01/2017	216.30
3910	TOWN OF SPRINGERVILLE	SEWER TRANSMISSION LINE	I17/40424800			06/01/2017	50.17
3910	TOWN OF SPRINGERVILLE	SEWER TRANSMISSION LINE	I17/40425200			06/01/2017	145.36

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GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
							686.83 *
50-82-345	UTILITY ENTERPRISE FUND - WASTEWATER - SYSTEM PARTS						
	810	BACA, KELLY	CINDERS - HARLESS SEWER	JUN17/10001	27874	06/07/2017	1,200.00
	1180	CENTRAL ARIZONA SUPPLY	WASTE WATER PARTS FOR STO	3648192-00		06/20/2017	36.68
	1360	DAVIS TRUE VALUE HDWRE, INC	CONCRETE MIX	44031		05/23/2017	32.01
	3210	QUALITY READYMIX INC	CONCRETE - MANHOLE	9435676338	27944	05/30/2017	435.31
	3210	QUALITY READYMIX INC	CONCRETE - HARLESS SEWER	9435770053	27952	06/14/2017	498.77
	4410	WOODLAND BUILDING CENTER	2-1/2LB WATERPLUG CEMENT	1705-092437		05/03/2017	12.54
							2,213.31 *
50-82-350	UTILITY ENTERPRISE FUND - WASTEWATER - SMALL TOOLS & HARDWARE						
	4410	WOODLAND BUILDING CENTER	GORILLA TAPE	1705-097831		05/25/2017	17.45
	4410	WOODLAND BUILDING CENTER	2-1/2LB WATERPLUG CEMENT	1706-103550		06/15/2017	25.07
	4410	WOODLAND BUILDING CENTER	TORCH BLADE	1706-103576		06/15/2017	24.54
	4410	WOODLAND BUILDING CENTER	MATERIALS	1706-104685		06/19/2017	1.63
							68.69 *
50-82-355	UTILITY ENTERPRISE FUND - WASTEWATER - SAFETY EQUIPMENT						
	4110	VALLEY AUTO PARTS	GLOVES	5922		05/03/2017	24.23
50-82-500	UTILITY ENTERPRISE FUND - WASTEWATER - GENERAL INSURANCE						
	290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10665		05/31/2017	232.26
	290	AMRRP - INSURANCE POOL	GENERAL INSURANCE	10666		05/31/2017	3,185.57
							3,417.83 *
50-82-505	UTILITY ENTERPRISE FUND - WASTEWATER - ELECTRICITY						
	2770	NAVOPACHE ELEC COOP, INC	EAGAR SEWER FARM PUMP	N17/2375905		06/09/2017	370.44
	2770	NAVOPACHE ELEC COOP, INC	255 W MAIN - EAGAR SEWER FAF	N17/2377005		06/09/2017	32.93
							403.37 *
50-82-511	UTILITY ENTERPRISE FUND - WASTEWATER - CELL PHONES						
	4120	VERIZON WIRELESS	ON CALL CELL PHONE	9787463615		06/12/2017	15.54
50-82-525	UTILITY ENTERPRISE FUND - WASTEWATER - POSTAGE, FREIGHT & FEES						
	2710	NATIONAL BANK OF ARIZONA	2615/USPS	JUN17/2615		06/02/2017	122.40
	2710	NATIONAL BANK OF ARIZONA	2615/USPS	JUN17/2615		06/02/2017	160.00
							282.40 *
50-82-526	UTILITY ENTERPRISE FUND - WASTEWATER - BANKING FEES						
	2710	NATIONAL BANK OF ARIZONA	2813/PAYPALL	JUN17/2813		06/02/2017	12.00
50-82-535	UTILITY ENTERPRISE FUND - WASTEWATER - MATERIAL TESTING						
	2600	MOHAVE ENVIRONMENTAL LAB	WASTEWATER TESTING	80891	27949	06/20/2017	43.00
50-82-572	UTILITY ENTERPRISE FUND - WASTEWATER - COMPUTER SUPPORT						
	1140	CASELLE, INC	COMPUTER SUPPORT	80709		06/01/2017	292.17
	1250	CONQUEST TECHNOLOGY GRO	DOTGOV RENEWAL eagaraz.gov	2324		06/09/2017	67.32
							359.49 *
50-82-575	UTILITY ENTERPRISE FUND - WASTEWATER - EAPPA						
	1510	EAPPA	PREPAYMENT TO DEPT OF ENER	0317E		06/13/2017	33.42
	1510	EAPPA	PREPAYMENT TO DEPT OF ENER	0417E		06/13/2017	92.06
							125.48 *
Total WASTEWATER							7,934.30
Total UTILITY ENTERPRISE FUND							29,966.12

GL Acct No	Vendor	Vendor Name	Description	Invoice No	PO No	Inv Date	Amount
Grand Total:							191,240.23

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

City Treasurer: _____

TOWN OF EAGAR
REVENUE/EXPENDITURE SUMMARY
FOR THE 12 MONTHS ENDING JUNE 30, 2017

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	JNEARN/EXPENC	PCNT
<u>REVENUE</u>					
TAXES	103,505.29	1,249,165.68	1,326,620.00	77,454.32	94.2
INTERGOVERNMENTAL REVENUE	84,928.29	995,089.41	985,310.00	(9,779.41)	101.0
RENTS/ROYALTIES	2,780.00	35,935.39	41,835.00	5,899.61	85.9
CHARGE FOR SERVICE	2,760.00	20,825.00	16,230.00	(4,595.00)	128.3
RECREATION/EVENTS	(10,502.00)	4,496.00	17,000.00	12,504.00	26.5
FEES & PERMITS	11,366.82	85,731.81	82,458.00	(3,273.81)	104.0
FINES & FORFEITURES	2,502.64	19,159.74	21,650.00	2,490.26	88.5
DONATIONS	650.29	34,552.23	16,675.00	(17,877.23)	207.2
MISC. REVENUE	44,395.33	347,486.12	6,969.00	(340,517.12)	1986.2
 TOTAL FUND REVENUE	 242,386.66	 2,792,441.38	 2,514,747.00	 (277,694.38)	 111.0
<u>EXPENDITURES</u>					
MAYOR & COUNCIL	1,217.25	24,123.53	30,434.00	6,310.47	79.3
GENERAL GOVERNMENT	37,100.68	233,171.71	252,212.00	19,040.29	92.5
MAGISTRATE	4,980.20	48,762.80	52,785.00	4,022.20	92.4
TOWN MANAGER	.00	46,689.61	53,461.00	6,771.39	87.3
TOWN CLERK	5,134.40	69,913.08	83,283.00	13,369.92	84.0
COMMUNITY DEVELOPMENT	11,235.79	110,640.93	113,170.00	2,529.07	97.8
FINANCE	8,925.44	89,397.19	93,885.00	4,487.81	95.2
POLICE	81,992.68	888,428.16	884,851.00	(3,577.16)	100.4
FIRE	22,309.88	322,373.12	338,131.00	15,757.88	95.3
FIRE CONTINUED/WILDLAND	25,186.92	69,209.40	71,260.00	2,050.60	97.1
POLICE CONT/ANIMAL CONTRO	7,676.17	59,885.57	61,091.00	1,205.43	98.0
PARKS & RECREATION	11,834.26	66,524.91	56,192.00	(10,332.91)	118.4
FACILITIES	28,417.99	329,420.86	290,084.00	(39,336.86)	113.6
FLEET MAINTENANCE	18,515.17	99,646.33	80,414.00	(19,232.33)	123.9
 TOTAL FUND EXPENDITURES	 264,526.83	 2,458,187.20	 2,461,253.00	 3,065.80	 99.9
 NET REVENUE OVER EXPENDITURES	 (22,140.17)	 334,254.18	 53,494.00	 (280,760.18)	 624.8

TOWN OF EAGAR
REVENUE/EXPENDITURE SUMMARY
FOR THE 12 MONTHS ENDING JUNE 30, 2017

HIGHWAY USERS REVENUE FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>JNEARN/EXPEND</u>	<u>PCNT</u>
<u>REVENUE</u>					
INTERGOVERNMENTAL REVENUE	85,863.24	924,855.43	974,120.00	49,264.57	94.9
MISCELLANEOUS REVENUE	.00	94,425.42	6,060.00	(88,365.42)	1558.2
TOTAL FUND REVENUE	<u>85,863.24</u>	<u>1,019,280.85</u>	<u>980,180.00</u>	<u>(39,100.85)</u>	<u>104.0</u>
<u>EXPENDITURES</u>					
FACILITIES	.00	62,946.06	98,800.00	35,853.94	63.7
FLEET MAINTENANCE	.00	64,089.04	86,311.00	22,221.96	74.3
HURF	99,377.15	817,105.62	827,501.00	10,395.38	98.7
TOTAL FUND EXPENDITURES	<u>99,377.15</u>	<u>944,140.72</u>	<u>1,012,612.00</u>	<u>68,471.28</u>	<u>93.2</u>
NET REVENUE OVER EXPENDITURES	<u>(13,513.91)</u>	<u>75,140.13</u>	<u>(32,432.00)</u>	<u>(107,572.13)</u>	<u>231.7</u>

TOWN OF EAGAR
REVENUE/EXPENDITURE SUMMARY
FOR THE 12 MONTHS ENDING JUNE 30, 2017

GRANTS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	JNEARN/EXPENSE	PCNT
<u>REVENUE</u>					
INTERGOVERNMENTAL REVENUE	2,826.47	162,427.77	1,000,000.00	837,572.23	16.2
TOTAL FUND REVENUE	2,826.47	162,427.77	1,000,000.00	837,572.23	16.2
<u>EXPENDITURES</u>					
FLATTOP TRAILHEAD PARKING	.00	1,492.40	.00	(1,492.40)	.0
ALTA VISTA DRAINAGE	.00	6,985.00	.00	(6,985.00)	.0
SCH BUS SOUTHWEST DRAINAGE	.00	4,370.82	.00	(4,370.82)	.0
RURAL BUSINESS DEVELOPMENT GR/	.00	30,122.51	.00	(30,122.51)	.0
GOHS 2016-PT-084	.00	1,276.57	.00	(1,276.57)	.0
GOHS 2017-PT-015	.00	3,544.41	.00	(3,544.41)	.0
GILA RIVER INDIAN COMMUNITY	.00	62,159.07	.00	(62,159.07)	.0
GOHS 2017-405D-007	570.11	3,092.48	.00	(3,092.48)	.0
AZDOHS - RADIO'S	.00	29,619.40	.00	(29,619.40)	.0
VFA-FIRE ASSISTANCE	.00	2,826.47	.00	(2,826.47)	.0
WIFA GRANT - TANK REHAB	.00	20,997.60	.00	(20,997.60)	.0
ELK TRAIL LANDSCAPING	2,783.17	2,783.17	.00	(2,783.17)	.0
REDE-16-03	14,110.00	14,110.00	.00	(14,110.00)	.0
PD DONATION/REIMBURSEMENTS	.00	1,448.97	.00	(1,448.97)	.0
AZ STATE PARKS-SPORTS COMPLEX	.00	.00	1,000,000.00	1,000,000.00	.0
TOTAL FUND EXPENDITURES	17,463.28	184,828.87	1,000,000.00	815,171.13	18.5
NET REVENUE OVER EXPENDITURES	(14,636.81)	(22,401.10)	.00	22,401.10	.0

TOWN OF EAGAR
REVENUE/EXPENDITURE SUMMARY
FOR THE 12 MONTHS ENDING JUNE 30, 2017

CONTINGENCY FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>JNEARN/EXPEN</u>	<u>PCNT</u>
<u>REVENUE</u>					
CONTINGENCY REVENUE	.00	.00	750,000.00	750,000.00	.0
TOTAL FUND REVENUE	.00	.00	750,000.00	750,000.00	.0
<u>EXPENDITURES</u>					
CONTINGENCY EXPENSES	.00	.00	750,000.00	750,000.00	.0
TOTAL FUND EXPENDITURES	.00	.00	750,000.00	750,000.00	.0
NET REVENUE OVER EXPENDITURES	.00	.00	.00	.00	.0

TOWN OF EAGAR
REVENUE/EXPENDITURE SUMMARY
FOR THE 12 MONTHS ENDING JUNE 30, 2017

UTILITY ENTERPRISE FUND

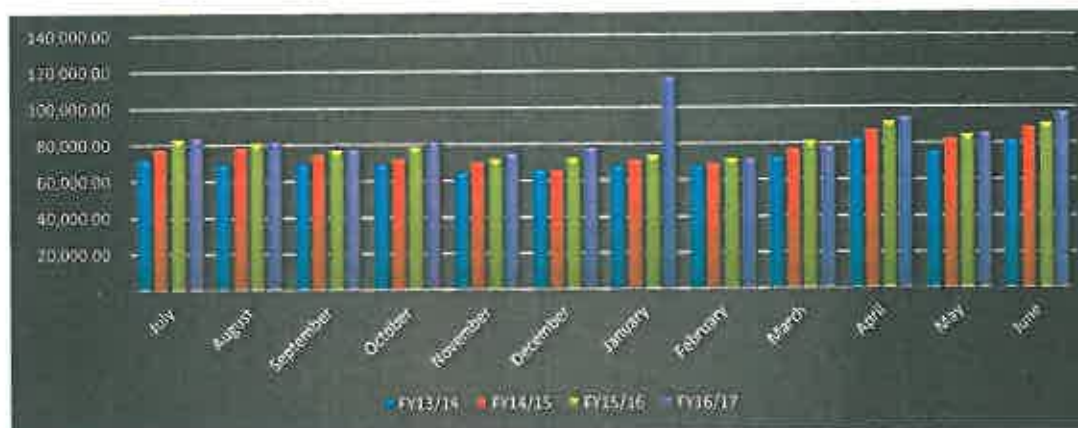
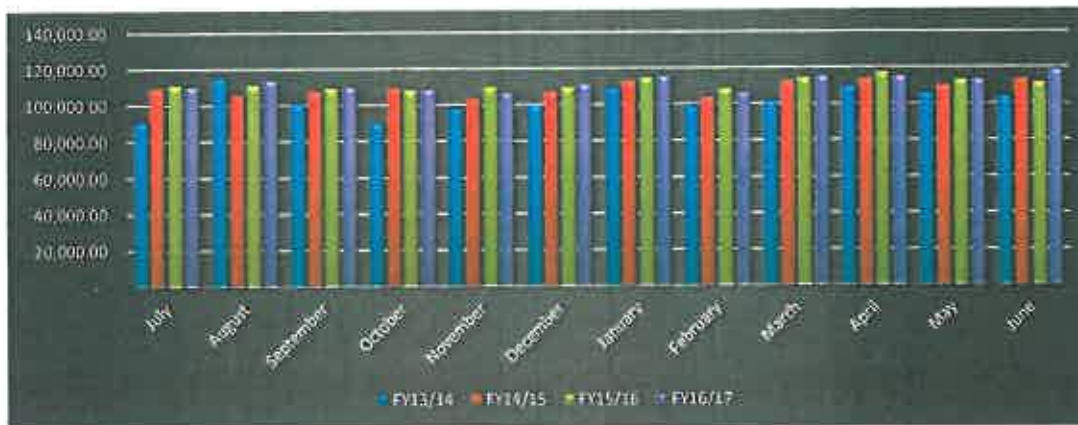
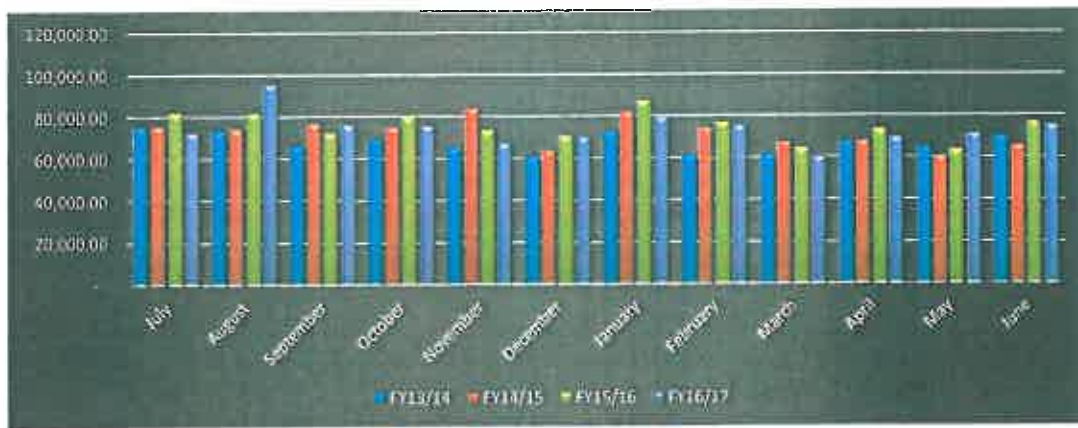
	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>JNEARN/EXPEND</u>	<u>PCNT</u>
<u>REVENUE</u>					
CHARGE FOR SERVICE	139,296.39	1,173,922.29	1,259,960.00	86,037.71	93.2
MISCELLANEOUS REVENUE	40,394.08	222,739.61	283,050.00	60,310.39	78.7
 TOTAL FUND REVENUE	 179,690.47	 1,396,661.90	 1,543,010.00	 146,348.10	 90.5
 <u>EXPENDITURES</u>					
FACILITIES	.00	41,652.91	30,000.00	(11,652.91)	138.8
FLEET MAINTENANCE	.00	31,791.46	46,475.00	14,683.54	68.4
WATER	55,497.98	763,025.28	707,385.00	(55,640.28)	107.9
WASTEWATER	47,962.08	605,409.06	621,050.00	15,640.94	97.5
 TOTAL FUND EXPENDITURES	 103,460.06	 1,441,878.71	 1,404,910.00	 (36,968.71)	 102.6
 NET REVENUE OVER EXPENDITURES	 76,230.41	 (45,216.81)	 138,100.00	 183,316.81	 (32.7)

Town of Eagar
FY15/16 Historical Revenue Report

	FY13/14	FY14/15	FY15/16	FY16/17	\$ Difference	% Difference
<u>Local Sales Taxes</u>						
<i>Budgeted</i>	825,000.00	825,000.00	833,250.00	868,000.00	\$ 34,750.00	4%
July	75,408.30	75,797.68	81,938.67	72,539.87	\$ (9,398.80)	-11%
August	73,288.22	74,411.17	81,680.01	95,470.87	\$ 13,790.86	17%
September	65,817.43	76,989.74	72,612.81	76,244.26	\$ 3,631.45	5%
October	68,775.35	75,084.55	80,041.07	75,706.68	\$ (4,334.39)	-5%
November	65,129.66	83,552.80	73,589.56	67,237.90	\$ (6,351.66)	-9%
December	60,654.55	63,725.91	70,759.55	70,059.44	\$ (700.11)	-1%
January	72,410.40	82,035.76	87,422.12	79,505.69	\$ (7,916.43)	-9%
February	61,238.41	74,624.13	77,125.20	75,349.87	\$ (1,775.33)	-2%
March	61,576.21	67,488.41	64,696.22	60,466.04	\$ (4,230.18)	-7%
April	67,511.74	68,102.58	73,616.14	69,849.68	\$ (3,766.46)	-5%
May	64,914.75	60,737.74	63,696.00	71,475.17	\$ 7,779.17	12%
June	70,226.52	65,764.33	76,904.90	75,271.57	\$ (1,633.33)	-2%
Totals	\$ 806,951.54	\$ 868,314.80	\$ 904,082.25	\$ 889,177.04	\$ (14,905.21)	-1.6%
% Change	1%	8%	4%			

	FY13/14	FY14/15	FY15/16	FY16/17	\$ Difference	% Difference
<u>State Shared Revenues (Shared Sales, Income, VLT)</u>						
<i>Budgeted</i>	\$ 1,175,500.00	\$ 1,254,350.00	\$ 1,341,249.00	\$ 1,353,930.00	\$ 12,681.00	1%
July	90,588.34	109,540.19	110,983.17	110,151.09	\$ (832.08)	-1%
August	114,769.60	105,637.62	110,993.64	113,710.24	\$ 2,716.60	2%
September	100,722.29	107,710.80	109,256.54	109,752.10	\$ 495.56	0%
October	89,595.00	109,211.16	108,175.85	108,327.19	\$ 151.34	0%
November	97,636.35	103,218.16	109,693.85	106,417.53	\$ (3,276.32)	-3%
December	99,180.30	106,977.91	109,461.53	111,175.51	\$ 1,713.98	2%
January	108,628.36	112,863.23	114,734.91	115,469.34	\$ 734.43	1%
February	98,576.70	103,894.82	108,421.49	106,285.27	\$ (2,136.22)	-2%
March	101,220.15	112,570.30	114,182.48	115,289.94	\$ 1,107.46	1%
April	109,536.36	113,754.87	117,267.49	114,997.86	\$ (2,269.63)	-2%
May	105,459.03	110,273.94	113,040.71	113,326.56	\$ 285.85	0%
June	103,690.83	113,597.72	111,448.18	118,398.96	\$ 6,950.78	6%
Totals	\$ 1,219,603.31	\$ 1,309,250.72	\$ 1,337,659.84	\$ 1,343,301.59	\$ 5,641.75	0.4%
% Change	6%	7%	2%			

	FY13/14	FY14/15	FY15/16	FY16/17	\$ Difference	% Difference
<u>HURF Revenues</u>						
<i>Budgeted</i>	\$ 832,250.00	\$ 823,250.00	\$ 949,914.00	\$ 974,120.00	\$ 24,206.00	3%
July	72,260.83	78,266.25	83,083.71	83,975.14	\$ 891.43	1%
August	69,021.33	78,810.40	80,998.95	81,889.90	\$ 890.95	1%
September	69,381.62	74,686.28	77,252.50	77,531.30	\$ 278.80	0%
October	68,944.02	71,951.73	78,597.14	81,612.67	\$ 3,015.53	4%
November	64,292.70	70,338.12	71,844.81	75,040.22	\$ 3,195.41	5%
December	65,933.21	65,329.77	72,304.27	77,975.45	\$ 5,671.18	9%
January	67,631.65	70,945.13	73,783.15	116,725.83	\$ 42,942.68	61%
February	67,521.96	68,915.20	71,770.43	71,446.93	\$ (323.50)	0%
March	72,368.30	77,230.49	81,315.83	78,409.67	\$ (2,906.16)	-4%
April	82,481.52	87,483.83	91,978.41	94,385.08	\$ 2,406.67	3%
May	75,631.48	82,390.14	84,710.18	85,863.24	\$ 1,153.06	1%
June	81,831.47	88,964.42	91,024.60	97,064.54	\$ 6,039.94	7%
Totals	\$ 857,300.09	\$ 915,311.76	\$ 958,663.98	\$ 1,021,919.97	\$ 63,255.99	6.6%
% Change	2%	7%	5%			



TOWN OF EAGAR LOCAL TAX REPORT FOR JUNE 2017

BUSINESS CLASS	CLASS #	ACCOUNTS	PAYMENTS
OLD CLASS CODES	000	4	\$22.83
OLD CLASS CODES	002	0	\$0.00
OLD CLASS CODES	003	0	\$0.00
UTILITIES	004	2	\$8,569.38
COMMUNICATIONS	005	35	\$2,098.63
TRANSPORTING	006	0	\$0.00
PUBLICATION	009	6	\$57.17
OTHER	010	1	\$2.56
RESTAURANTS AND BARS	011	6	\$8,994.53
AMUSEMENTS	012	1	\$10.44
CONTRACTING	015	5	\$3,501.82
RETAIL SALES	017	310	\$25,861.05
MANUFACTURED BUILDINGS	027	0	\$0.00
USE TAX PURCHASES	029	129	\$2,975.67
USE TAX FROM INVENTORY	030	0	\$0.00
RENTAL OCCUPANCY	040	0	\$0.00
HOTELS	044	2	\$3,016.45
RESIDENTIAL RENTAL	045	8	\$612.12
LICENSING FEE	050	40	\$270.65
RETAIL SALES FOOD FOR HOME CONSUMPTION	062	14	\$13,121.34
HOTEL/MOTEL ADD'L TAX	144	2	\$2,574.92
RETAIL SALES (SINGLE ITEM OVER \$1,000)	157	0	\$0.00
USE TAX PURCHASES (SINGLE ITEM OVER \$1,000)	159	4	\$265.24
COMMERCIAL RENTAL	213	12	\$738.51
RENTAL, LEASE, LICENSING FOR USE OF TPP	214	31	\$1,563.96
ONLINE LODGING LESS THAN 25 DAYS	325	2	\$39.81
ADD'L TAX FOR ONLINE LODGING	344	2	\$39.81
ONLINE LODGING MORE THAN 25 DAYS	345	0	\$0.00
OTHER	450	0	\$0.00
VEHICLE USE TAX	451	2	\$934.68
TOTALS		618	\$75,271.57

Eagar Public Works Department

Memorandum

To: Mayor and Town Council
From: Bruce Ray
Date: August 1, 2017
Re: Bid for 3/8" Chips and Oil, to Chip Seal the following Streets: Udall Subdivision (Dorinda, Genevieve and all side streets), Cherry, Elm, E. 7th Lane, Gary, Bond, 9th Lane 9th St, E 4th St., E 6th St., Poverty Flat Alta Vista, E. 6th Ave., Park Place and Crystal Lane.

Mayor and Council,

As part of the approved Budget and CIP for the current fiscal year I am requesting approval to put out a bid request for 3/8" chips and oil for the chip sealing of Udall Subdivision (Dorinda, Genevieve and all side streets), Cherry, Elm, E. 7th Lane, Gary, Bond, 9th Lane 9th St, E 4th St., E 6th St., Poverty Flat Alta Vista, E. 6th Ave., Park Place and Crystal Lane. The chip seal will be done in September 2017.

In the bid request (see attached) it will specify that we inspect the rock prior to delivery to verify that the rock meets the bid specifications.

I am requesting approval to advertise a bid request for 3/8" chips and oil needed for the chip seal. The cost of this project is estimated at approximately \$126,000 for materials.

When we do receive bids, I request that Council give approval to staff to accept the lowest responsible bidder.

Bruce Ray
Public Works Director



The Town of Eagar will be accepting **sealed** bids for the following three solicitations:

- 1) Fractured Chips for road maintenance (Materials & Delivery Only)
- 2) ABC Aggregate Type 6 and or Mag Spec.
- 3) Furnish and apply CRS-2LM Oil for road maintenance

To get a complete list of specifications go to www.eagaraz.gov

If you have any questions please contact us at (928) 333-4223 ext, 25 or email b.ray@eagaraz.gov.

The Town of Eagar reserves the right to change footages, quantities, and plans without prior notice. All bids must be good for a 90 day period.

Bids must be received by **3:30pm** Monday, August 21, 2017 and will be opened immediately afterwards that same day. The bid will be awarded to the lowest responsible bidder. Bids may be hand delivered to 22 W. 2nd Street or mailed to PO Box 1300 – Eagar AZ 85925, Bids **MUST** specify attention to Eva Wilson, Town Clerk– and the project you are bidding.



The Town of Eagar will be accepting sealed bids for the following two solicitations:

- 1) Fractured Basalt Chips for road maintenance (Materials & Delivery Only)
Specification will be per MAG Section 330. Quantities for Fractured Chips for chip seal paving are as follows:

	Unit Price	Subtotal
	_____ CY/Ton	_____
1400 CY of 3/8" Basalt Chips		

Chips need to be screened and washed.
Include freight and tax in your bid.
The Town reserves the right to inspect chips prior to delivery.

	Unit Price	Subtotal
	_____ CY/Ton	_____
1700 CY of ABC Type 6 or Mag Specs		

Include freight and tax in your bid.

- 2) Furnish and install CRS-2LM Oil for chip seal paving road maintenance
Specification will be per MAG Section 330. Single layer chip seal application.

	Unit Price	Subtotal
	_____ TN	_____
Single Layer Roadway (39,600 LF 24' wide @.6 Shot Rate		
Mobilization (1 QTY)	_____ EA	_____
Overnight Stay (1 QTY)	_____ EA	_____
Spreader Hrs (min Daily)	_____ EA	_____

Include tax in your bid.

If you have any questions please contact us at (928) 333-4223 ext, 25
or email b.ray@eagaraz.gov.

The Town of Eagar reserves the right to change footages, quantities, and plans without prior notice. All bids must be good for 90 days.

Bids must be received by **3:30pm** Monday August 21, 2017 and will be opened that same day. The bid will be awarded to the lowest responsible bidder. Bids may be hand delivered to 22 W. 2nd Street or mailed to PO Box 1300 Eagar, AZ 85925, Bids MUST specify attention to "Eva Wilson, Town Clerk –Chip, ABC and or Oil Bid".

TOWN OF EAGAR

MEMORANDUM

TO: Eagar Town Council
FROM: Katie Brady, Finance Manager
DATE: July 24, 2017
SUBJECT: HALL-PARKER PAYMENTS

The State Supreme Court has ruled that the increased employee contribution rates to their retirement plan that began July 1, 2011 were unconstitutional and therefore those employees and retirees affected need to be paid back.

Per federal regulations, the refunds cannot be paid back by PSPRS to members, but instead must be paid by employers. Additionally, all contributions being returned are considered wages and must be taxed as such. However, the interest payments are not considered wages and do not need to be taxed by the employer, provided the employer receives a Form W-9 for each affected employee or retiree.

Eagar Police Department has 7 affected employees or retirees totaling a refund balance of \$41,278.62.

Prejudgment and post-judgment interest have not been ruled on yet. We have been told to expect an interest rate between 5%-10%. Prejudgment interest will be calculated by PSPRS and sent to us when the courts finally rule on it.

Post-judgement interest will be calculated by using this formula:

Post-judgment Interest Amount = Total of Contributions and Pre-judgment
Interest x Interest Rate x Number of Days Between June 29 and Payout / 365

The Town has the option to receive a credit on our PSPRS employer account to pay the refunds and prejudgment interest. Sounds great, right? Taking the credit will adversely affect our unfunded liability by increasing it by the credit amount. Doing so has the potential of increasing the employer match percentage. It is my recommendation to leave the funds in the account and try to manage this within the budget we currently have and make budget appropriations only if needed at year end.

Katie Brady
Finance Manager

RESOLUTION NO. 2017-09

RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF EAGAR, ARIZONA, A MUNICIPAL CORPORATION OF THE STATE OF ARIZONA, APPROVING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED REVENUE REFUNDING OBLIGATIONS, EVIDENCING ALL THE INTERESTS OF THE OWNER THEREOF IN A PURCHASE AGREEMENT, TO PREPAY A LOAN REPAYMENT AGREEMENT OF THE TOWN, THE PROCEEDS OF WHICH FINANCED AND REFINANCED THE COSTS OF CERTAIN MUNICIPAL AND UTILITIES FACILITIES AND EQUIPMENT IN AND FOR THE TOWN; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH PURCHASE AGREEMENT, A TRUST AGREEMENT, A PLACEMENT AGENT AGREEMENT AND OTHER NECESSARY DOCUMENTS; DELEGATING AUTHORITY TO THE MANAGER AND FINANCE DIRECTOR OF THE TOWN TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE TOWN; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY

WHEREAS, the Mayor and Council of the Town of Eagar, Arizona (the "Town"), have determined to prepay the remaining outstanding amounts due pursuant to the Loan Repayment Agreement, dated as of May 1, 2007 (the "Prior Obligation"), which financed and refinanced the costs of municipal and utilities facilities and equipment in and for the Town (collectively, the "Prior Projects"), by entering into a First Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations established as provided herein (the "Purchase Agreement"), with a trustee bank to be appointed as provided herein, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

WHEREAS, in connection with the Purchase Agreement, the Mayor and Council of the Town have deemed it necessary and desirable to provide for the sale and execution and delivery of pledged revenue refunding obligations, provided for by this Resolution (the "Obligations"), pursuant to a First Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Trust Agreement"), between the Trustee and the Town, evidencing all the interests of the owner of the Obligations in payments to be made by the Town to the Trustee pursuant to the Purchase Agreement; and

WHEREAS, the payments represented by the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the Town will pledge Pledged Revenues (as such term is defined in the Trust Agreement); and

WHEREAS, the Mayor and Common Council of the Town will receive a proposal

from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the placement agent (the "Placement Agent"), and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission, and has determined that the Obligations should be placed by the Placement Agent with a purchaser (the "Purchaser"); and

WHEREAS, the Placement Agent will submit such proposal to place the Obligations pursuant to a Placement Agent Agreement in standard form, to be dated the date of placement of the Obligations (the "Placement Agent Agreement"), by and between the Town and the Placement Agent; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (the "Regulations"), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes ("Tax-Exempt Obligations"), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, it is determined that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the Town comply with the provisions of the Code and the Regulations (the "Procedures"); and

WHEREAS, there have been presented to the Mayor and Council of the Town at the meeting at which this Resolution is being adopted (1) the proposed form of the Purchase Agreement; (2) the proposed form of the Trust Agreement; and (3) the proposed form of the Procedures; and

WHEREAS, refinancing the costs of the Prior Projects pursuant to the Purchase Agreement is in furtherance of the purposes of the Town and is in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF EAGAR, ARIZONA, THAT:

Section 1. (a) The execution and delivery of the Obligations by the Trustee is approved.

(b) The Manager or the Finance Director of the Town are each authorized to determine on behalf of the Town the identity of the Trustee; the series name and designation of the Obligations; the date the Obligations are to be placed by the Placement Agent; the total aggregate principal amount of the Obligations which are to be executed and delivered; the date the Obligations are to be dated; the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear (but, except in the case of an event of default or an event of taxability, not greater than three and one-half percent (3.5%)); the dates the Obligations are to mature but not later than July 1, 2028, the principal amounts to mature on such dates and the provisions for prepayment thereof in advance of such dates; the exercise of prepayment provisions with respect to the Prior Obligation and the terms upon which the

Obligations are to be sold (including determinations of price, original issue discount and premium and Placement Agent compensation); provided, however, that the foregoing determinations shall result in present value savings, net of costs of issuance, of at least three percent (3.0%) of the portion of the Prior Obligation being prepaid.

(c) The form and other terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are approved.

Section 2. The form, terms and provisions of the Purchase Agreement, the Trust Agreement, in substantially the forms of such documents (including the Obligations and other exhibits thereto) presented at the meeting of the Mayor and Council of the Town at which this Resolution is being adopted are approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove and shall be approved by the Mayor of the Town, any other member of the Council, the execution of each such document being conclusive evidence of such approval, and the Mayor of the Town or any other member of the Council and, in the case of the Placement Agent Agreement, the Manager or the Finance Director of the Town, or the Clerk of the Town, where applicable, are authorized and directed, for and on behalf of the Town, to execute and deliver and attest or approve the Purchase Agreement, the Trust Agreement and the Placement Agent Agreement and to take all action to carry out and comply with the terms of such documents.

Section 3. The Procedures are hereby adopted to establish policies and procedures in connection with Tax-Exempt Obligations issued by the Town to ensure that all applicable post-issuance requirements of the Code and the Regulations needed to preserve the status of such Tax-Exempt Obligations are met. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

Section 4. The Trustee (including in its separate capacity as Seller) is requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement and the Placement Agent Agreement and the sale and execution and delivery of the Obligations and payment and prepayment of the Prior Obligation and is further authorized and directed to take such action as may be reasonable for the administration of the applicable trusts so held by it.

Section 5. The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on Pledged Revenues and the restriction on the issuance of further parity obligations secured by Pledged Revenues are approved and confirmed.

Section 6. The Mayor, the Manager, the Finance Director and other officers of the Town, on behalf of the Town, are authorized and directed, without further order of the Mayor and Council of the Town, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the Town (including entering into any agreements for administrative or

procedural requirements requested by the Purchaser), to cause the sale and execution and delivery of the Obligations and to evidence compliance with, or further the purposes of, all the terms and conditions of this Resolution.

Section 7. All actions of the officers and agents of the Town which conform to the purposes and intent of this Resolution and which further the sale and execution and delivery of the Obligations as contemplated by this Resolution, whether heretofore or hereafter taken, are ratified, confirmed and approved.

Section 8. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 9. The immediate operation of this Resolution is necessary for the economic prepayment of the Prior Obligation and the resulting preservation of the public health and welfare by expediting the prepayment of the Prior Obligation and an emergency is hereby declared to exist. This Resolution shall be in full force and effect from and after its passage, adoption and approval by the Mayor and Council of the Town, as required by law, and is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona pursuant to Section 19-142(B), Arizona Revised Statutes. After any of the Obligations are delivered by the Trustee to the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

[Remainder of page left blank intentionally.]

PASSED AND ADOPTED on this 1st day of August, 2017.

Bryce Hamblin, Mayor
Town of Eagar, Arizona

ATTEST:

Eva M. Wilson, Town Clerk
Town of Eagar, Arizona

APPROVED AS TO FORM:

Douglas E. Brown, Town Attorney
Town of Eagar, Arizona

CERTIFICATION

I hereby certify that the foregoing Resolution No. 2017-09 was duly passed and adopted by the Mayor and Council of the Town of Eagar, Arizona, at a regular meeting held on the 1st day of August, 2017, and the vote was _____ ayes and _____ nays.

Eva M. Wilson, Town Clerk

**TOWN OF EAGAR, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATION, SERIES 2017
(THE "OBLIGATION")**

Request for Private Financing Proposals – Proposed General Terms and Conditions

Terms/Definitions	Description
Issuer:	Town of Eagar, Arizona (the "Town")
Est. Principal Amount:	\$2,168,000
Bank Qualified:	Yes.
Purpose:	The Obligation will be executed and delivered to prepay amounts due pursuant to the Loan Repayment Agreement, dated as of May 1, 2007 (the "GADA Loan"), between the Town and the Greater Arizona Development Authority.
Financing Structure:	The Trustee (see below) will be authorized to execute and deliver the Obligation to the entity providing the successful proposal (the "Purchaser") pursuant to the provisions of a trust agreement (the "Trust Agreement"). The Obligation will be all the interests in the payments due from the Town to the Trustee pursuant to an installment purchase agreement between the Town and the Trustee (the "Purchase Agreement").
Security and Pledge:	<p>The Purchase Agreement and any Additional Obligations (see below) (collectively, the "Parity Obligations") will be payable from and secured by a lien on revenues from the unrestricted transaction privilege and use tax, license and permit and franchise fees, user fees and charges and fines and forfeitures which the Town imposes; provided that the Mayor and Council of the Town may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council (the "Excise Taxes") and revenues from any excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State of Arizona or any agency thereof and returned, allocated or apportioned to the Town, except the Town's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes (the "State Shared Revenues" and, together with the Excise Taxes, the "Pledged Revenues").</p> <p>The pledge of Pledged Revenues for the payment of the Purchase Agreement and any Additional Obligations will be a paramount and first pledge and lien of the Pledged Revenues.</p> <p>See attached tables regarding Estimated Debt Service Requirements and Projected Coverage and Historical and Budgeted Excise Taxes and State Shared Revenues. The information in such tables has been obtained from the Town and is believed to be reliable, but such information is not guaranteed as to accuracy or completeness by the Placement Agent. The tables may contain, in part, matters of opinion or estimates that are not intended as statements of fact, and no representation is made as to the correctness of such opinions or estimates or that they may be realized. The presentation of such information is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends. The information contained in such tables is subject to change without notice. No representation is made that the past experience shown by such information will necessarily continue or be repeated in the future.</p>
Rate Covenant:	To the extent permitted by applicable law, Pledged Revenues shall be retained and maintained so that the amounts received from Pledged Revenues, all within and for the most recently completed fiscal year, shall have been equal to at least two (2) times the principal and interest requirements for the current fiscal year. If Pledged Revenues for any such fiscal year shall not have been equal to at least two (2) times the principal and

Terms/Definitions	Description
	interest requirements for the Parity Obligations for the current fiscal year or if at any time it appears that Pledged Revenues will not be sufficient to meet such requirements, the Town shall, to the extent permitted by applicable law, impose new exactions of the type of the Excise Taxes which will be part of the Excise Taxes or increase the rates for the Excise Taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year in order that (i) Pledged Revenues will be sufficient to meet all current requirements under the Purchase Agreement and (ii) Pledged Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.
Additional Debt:	Additional Obligations may be incurred but only if Pledged Revenues, in the most recently completed fiscal year, shall have amounted to at least two (2) times the highest combined interest and principal requirements for any succeeding twelve (12) months' period for the Purchase Agreement and any Additional Obligations previously incurred and then being incurred.
Trustee:	To be determined.
Outstanding Town Debt Secured by Pledged Revenues:	<u>First Lien:</u> The GADA Loan which will be prepaid in full with proceeds of the Obligation.
Credit Rating:	None applied for the Obligation.
Proposed Payment Schedule:	Fixed annual principal beginning July 1, 2018 and semi-annual interest beginning January 1, 2018. See herein for proposed principal structure.
Proposed Prepayment:	Entities submitting proposals to provide. Will be taken into account in determining final award.
Additional Terms and Conditions:	Entities submitting proposals expected to submit specific terms, fees and conditions, including those deviating from this Term Sheet.
Special Counsel:	Greenberg Traurig, LLP; contact: Michael Cafiso, Esq., (602) 445-8451 / cafisom@gtlaw.com or Paul Gales, Esq., (602) 445-8404 / galesp@gtlaw.com
Legal Documents:	To be provided by the Town's Special Counsel. An opinion as to tax exemption will be provided. (Draft copies of the Purchase Agreement and the Trust Agreement are available upon request.)
Placement Agent:	Stifel Nicolaus & Company Incorporated; contact: Mark Reader, (602) 794-4011 / mreader@stifel.com or Ken Cherevka, (602) 794-4014 / kcherevka@stifel.com .
Closing Date:	August 17, 2017 (subject to change)
Responses Due:	Tuesday, August 1, 2017 at 11:00 AM (AZ Time). (E-mail copies preferred and accepted, to be submitted to Stifel). Please direct questions to Mark Reader or Ken Cherevka.
Award:	Town officials may select the Purchaser on a preliminary basis to negotiate final terms, conditions, covenants and financing documentation in preparation for consideration on or around the week of August 7, 2017. The Town reserves the right to reject any or all proposals and submit future requests for proposals depending on results, among other factors and reserves the right to issue the Obligation in a public offering. The Town further reserves the right to negotiate final terms and conditions with any entity that responds to this request.

Document Links:

- Comprehensive Annual Financial Reports of the Town for the fiscal years ended June 30, 2012 through and including June 30, 2016
Link: [Comprehensive Annual Financial Reports](#)
- Adopted Budget of the Town for fiscal year 2016/17 and 2017/18
Link: [Budgets](#)

Note: Links in this document can be accessed until July 25, 2017 5:47 PM CDT.

Tables herein:

- Proposed Payment Schedule
- Estimated Debt Service Requirements and Projected Coverage
- Historical and Budgeted Excise Taxes and State Shared Revenues Collections

**TOWN OF EAGAR, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATION, SERIES 2017**

PROPOSED PAYMENT SCHEDULE

\$2,168,000 (subject to change)

Payment Date (July 1)	Principal (a)
2018	\$ 215,000
2019	206,000
2020	213,000
2021	214,000
2022	220,000
2023	226,000
2024	233,000
2025	233,000
2026	243,000
2027	165,000
Estimated Total	<u>\$2,168,000</u>

Estimated Average Life: 5.244 years

(a) Principal amounts subject to change.

TOWN OF EAGAR, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATION, SERIES 2017

Estimated Annual Debt Service Requirements and Projected Coverage

Pledged Revenue Refunding Obligation, Series 2017 (Private Placement)
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Fiscal Year	Pledged Revenues (a)	Principal	Estimated Interest (b)	Estimated Total	Projected Coverage (c)
2015/16	\$ 2,556,542				
2016/17					
2017/18		\$215,000	\$36,585	\$251,585	10.16x
2018/19		206,000	43,943	249,943	10.23x
2019/20		213,000	39,308	252,308	10.13x
2020/21		214,000	34,515	248,515	10.29x
2021/22		220,000	29,700	249,700	10.24x
2022/23		226,000	24,750	250,750	10.20x
2023/24		233,000	19,665	252,665	10.12x
2024/25		233,000	14,423	247,423	10.33x
2025/26		243,000	9,180	252,180	10.14x
2026/27		165,000	3,713	168,713	15.15x
		<u>\$2,168,000</u>	<u>\$255,780</u>	<u>\$2,423,780</u>	

Estimated Average Life (Years): 5.244

(a) Based on Pledged Revenues for fiscal year 2015/16.

Town Sales Tax	\$ 904,082
Licenses, Permits and Fees	36,746
Intergovernmental	1,337,658
Charges for Services	252,884
Fines and Forfeitures	25,172
Total Revenues	<u>\$ 2,556,542</u>

(b) The interest rates above are estimated and subject to change.

(c) Pursuant to the Purchase Agreement, the Town covenants that coverage will be maintained so that the amount of the Pledged Revenue for each fiscal year will be equal to at least two (2) times the installment purchase payments payable under the Parity Obligations.

Document dated: July 12, 2017

**TOWN OF EAGAR, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATION, SERIES 2017**

HISTORICAL AND BUDGETED EXCISE TAXES AND STATE SHARED REVENUES

Source	Actual *					Budget (a)	
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Town sales tax	\$ 817,803	\$ 801,128	\$806,886	\$868,315	\$904,082	\$868,000	\$876,680
Licenses, permits and fees	30,472	22,655	27,419	35,723	36,746	82,458	90,185
Intergovernmental	1,055,370	1,156,867	1,229,152	1,309,251	1,337,658	1,443,930	1,509,957
Charges for services	186,599	246,299	171,274	173,678	252,884	16,230	19,700
Fines and forfeitures	41,684	33,710	25,451	23,900	25,172	21,650	24,800
Total revenues	<u>\$ 2,131,928</u>	<u>\$ 2,260,659</u>	<u>\$2,260,182</u>	<u>\$2,410,867</u>	<u>\$2,556,542</u>	<u>\$2,432,268</u>	<u>\$2,521,322</u>

* Per Comprehensive Annual Financial Reports.

(a) These figures are budgeted and should be viewed with an abundance of caution.

Private Placement Bidder List

Bank	Contact	E-mail	Office	Mobile
Arizona Business Bank, Cobiz Financial	Logan McKenzie	lmckenzie@azbizbank.com	602/240-2774	520/403-7364
Banc of America Leasing & Capital LLC	Jill Forsyth	jill.m.forsyth@baml.com	480/624-0369	
BAML	Larry Glandon	larry.d.glandon@baml.com	602/523-6263	
Bank of America Merrill Lynch	Michael Brunsman	michael.brunsmann@baml.com	513/929-5102	513/509-1312
Bank of America Merrill Lynch	Nancy Nuernberg	nancy.d.nuernberg@baml.com	206/358-6279	206/300-6073
Bank of the West	Ted Neu	ted.neu@bankofthewest.com	415/765-4938	212/748-9879
Baystone	Bill Baumann	wbaumann@bfgfinancial.net	602/650-1184	602/650-1194
BBVA Compass	James Manning	james.manning@bbva.com	602/778-0795	602/300-0759
BMO	Mark Mitrovich	Mark.Mitrovich@bmo.com	312/461-6538	312/497-6504
BMO	Julia Quazi	julia.quazi@bmo.com	415/354-7518	925/577-4261
BMO	Brian Harbin	brian.harbin@bmo.com	602/650-2833	
BMO	David Sook	david.sook@bmo.com	414/765-8346	414/379-8257
Boothel Bank	Michael Martin	mmartin@boothelbank.com	575/542-3521	
Boothel Bank	Randi Ybarra	rybarra@boothelbank.com	575/542-3521	
Capital One	Jeff Sharp	jeffrey.sharp@capitalonebank.com	877/698-2018	631/316-0171
City National Bank	Michael Horkey	michael.horkey@cncapitalfinance.com	410/864-8304	410/409-7579
Colorado Business Bank	Patricia Gage	prage@cobizbank.com	303/383-1294	
Colorado Business Bank	Derek Peters	dpeters@cobizbank.com	303/383-1270	
First Convenience Bank, a division of First National Bank	Sara Reid	publicfinance@1stnb.com	254/554-4328	
George K. Baum	Neil Skiver	skiver@gkbaum.com	303/391-5470	505/204-8755
Chase Business Banking	Tucker Kaufmann	tucker.kaufmann@jpmorgan.com	602/221-1164	
Chase Business Banking	Michelle Erry	michelle.a.erry@chase.com	480/970-7089	602/697-4497
Opus Bank	Dmitry Semenov	dsemenov@opusbank.com	916/724-5470	
National Bank of Arizona	Lee Davis	Lee.Davis@zionsbank.com	480/756-7122	602/402-8202
NBH Capital Finance	Tim David	Tim.David@nbhbank.com	303/784-5928	303/550-4053
NBH Capital Finance	Brian Martorella	brian.martorella@nbhbank.com	303/784-5938	303/888-2366
NBH Capital Finance	Sherry Villafane	Sherry.Villafane@nbhbank.com	303/241-0005	
Pinnacle Public Finance	Blair Swain	BSwain@ppf-inc.com	480/419-3634	480/619-9181
PNC	Alan Zuelke	alan.zuelke@pnc.com	614/463-6580	

Private Placement Bidder List

Bank	Contact	E-mail	Office	Mobile
Sovereign Bank/Santander Bank Sterling National Bank (SNB)	Bruce Block Steve Goldberg	bblock@sovereignbank.com sgoldberg@snb.com	480/477-7896 480-767-7122	480/252-2564
Sunwest Bank Texas Capital Bank UMB UMB UMB UMB	Isaac Bunney Jim Sult Troy Bernberg Henry Yee Philip Richter Mark Nuss	ibunney@sunwestbank.com james.sult@texascapitalbank.com troy.bernberg@umb.com henry.yee@umb.com Philip.Richter@umb.com Mark.Nuss@umb.com	602/909-5888 602/402-8606 303/839-2297	720/301-1026
UMB UMB	Todd Duncan Casey Gunning	todd.duncan@umb.com casey.gunning@umb.com	816/860-1526 816/860-7137 816/860-3015 or 303/839-2224 303/839-2292	816/665-9743 816/547-0019 816/645-6722 720/217-9599
US Bank US Bank	Thomas Seybold Jeff Kajisa	thomas.seybold@usbank.com jeffrey.kajisa@usbank.com	303/585-4052 415/677-3677	303/513-2241 415/244-6753
Washington Federal Washington Federal Wells Fargo Wells Fargo Western Alliance Western Alliance	James Goldsmith Peter Sullivan Patricia Cusick Tanabe, MBA Dan Warren Monika Suarez Joshua Lentz	james.goldsmith@wafd.com Pete.Sullivan@wafd.com TanabePC@wellsfargo.com dan.warren@wellsfargo.com msuarez@westernalliancebank.com jlentz@westernalliancebank.com	206/626-8126 206/626-8111 602/378-1286 602/378-5806 213/362-5277 602/346-7467	949/922-3105

FIRST PURCHASE AGREEMENT

by and between

U.S. BANK NATIONAL ASSOCIATION[???],
as Seller

and

THE TOWN OF EAGAR, ARIZONA,
as Purchaser

Dated as of _____ 1, 2017

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FIRST PURCHASE AGREEMENT

THIS FIRST PURCHASE AGREEMENT, dated as of _____ 1, 2017 (this "Agreement"), by and between THE TOWN OF EAGAR, ARIZONA, a municipal corporation under the laws of the State of Arizona ("Town"), as purchaser hereunder, and U.S. BANK NATIONAL ASSOCIATION, a national banking association authorized to execute trust powers in the State of Arizona ("Trustee"), in its capacity as trustee under the First Trust Agreement, dated as of even date herewith (the "Trust Agreement"), by and between Trustee and Town, but in its separate capacity as seller hereunder,

WITNESSETH:

WHEREAS, the Mayor and Council of Town have determined that it will be beneficial to the citizens of Town for Town to prepay the remaining outstanding amounts due pursuant to the Prior Obligation (as such term and all other undefined terms used herein are defined in the Trust Agreement); and

WHEREAS, for such purposes, the Mayor and Council of Town requested that Trustee sell and execute and deliver the Obligations, and Trustee has, as described in the Trust Agreement, caused a deposit to be made to the Costs of Issuance Fund and amounts to be paid to the GADA Trustee; and

WHEREAS, Town is a municipal corporation duly incorporated and validly existing under the laws of the State; the Constitution and the laws of the State authorize Town to enter into this Agreement and the transactions contemplated by this Agreement; Town has duly authorized and executed this Agreement; this Agreement is a lawful, valid and binding obligation of Town, enforceable against Town in accordance with its terms; all required procedures for execution and performance of this Agreement, including publication of notice, public hearing or competitive bidding, if applicable, have been or will be complied with in a timely manner; the Payments will be paid when due out of funds which are legally available for such purposes; neither the execution and delivery of this Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Town is now a party or by which Town is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Town; Town has disclosed in writing to Trustee all facts that do or will materially adversely affect the properties, operations or financial condition of Town and that any financial statements, notices or other written statements provided by Town to Trustee pursuant hereto will not contain any untrue statement of a material fact or omit any material fact necessary to make such statements or information not misleading and the Prior Projects comply with all applicable environmental laws, rules and regulations (including, without limitation, all federal, state and local laws) and with Title III of the Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities if and to the extent such Act and regulations apply to the Prior Projects; and

WHEREAS, Trustee has full legal authority and is duly empowered to enter into this Agreement and has taken all actions necessary to the execution and delivery hereof;

NOW THEREFORE, PURSUANT TO LAW AND FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Term and Payments.

(a) In order to refinance the costs of the Prior Projects, Town hereby sells and conveys any interests it has in the Prior Projects to Trustee, without warranty, for the sum of \$10.00 and other valuable consideration had and received. For the amounts payable pursuant hereto (including the Payments), Trustee in turn hereby sells and conveys back to Town, without warranty, and Town hereby purchases from Trustee, any interests Trustee has in the Prior Projects. (Town acknowledges that the right of Trustee to sell the Prior Projects arises out of the deposit for the benefit of Town with the GADA Trustee and that Town is receiving good and valuable consideration from both such sales.)

(b) As the purchase price, Town shall pay the Payments to Trustee. (The Interest Portion is interest for purposes of the Code.) This Agreement shall be deemed and construed to be a "*net purchase agreement*," and the Payments shall be an absolute net return to Trustee, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein.

Town shall further also pay to Trustee its fees and expenses in accordance with the provisions of the Trust Agreement and to the United States of America any amounts required by Section 11(b)(ii).

Town shall receive a credit against amounts so due, equal to any amounts held in the Payment Fund in excess of the amount then required to be in the Payment Fund. If the balance available in the Payment Fund after a Payment is insufficient to make the next required payments of principal and interest due on the Obligations on the next date for payment thereof, Town shall pay any such deficiency in sufficient time to prevent default in the payment of principal or interest on the Obligations falling due on such date.

(c) The obligation of Town to pay the amounts described in paragraph (b) hereof (including the Payments) from the sources described herein and to comply with the other provisions hereof shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach by Trustee of any obligation to Town or otherwise, or out of indebtedness or liability at any time owing to Town by Trustee. Until such time as all of the payments described in Subsection (b) hereof (including the Payments) shall have been fully paid or provided for, Town (i) shall not suspend or discontinue the same, (ii) shall comply with the other provisions hereof and (iii) shall not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Prior

Projects or the taking by *eminent domain* of title to or temporary use of any or all of the Prior Projects, commercial frustration of purpose, abandonment of the Prior Projects by Town, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this Agreement. Nothing contained in this Section shall be construed to release Trustee from the performance of any of the agreements on its part herein or in the Trust Agreement contained and in the event Trustee shall fail to perform any such agreements on its part, Town may institute such action against Trustee as Town may deem necessary to compel performance so long as such action does not abrogate the obligations of Town contained in the first sentence of this paragraph.

(d) Any of the payments described in Subsection (b) hereof (including the Payments) due on a day which is not a Business Day may be made on the next Business Day and will be deemed to have been made on the date due.

(e) Amounts payable to Trustee shall be paid by the means specified in writing to Town.

Section 2. Pledge; Limited Obligations.

(a) Pledged Revenues are hereby irrevocably pledged by Town to the payment of all amounts described in Subsection 1(b) hereof (including the Payments), and payment of such amounts shall be secured by a paramount and first pledge and lien on Pledged Revenues, on parity with the pledge and lien granted by Town for the payment and security of any Additional Revenue Obligations. Town shall make said payments from Pledged Revenues (first paying to the United States of America any amounts required by Section 11(b)(ii) and making the Payments and thereafter making the other required payments). All of such payments are coequal as to the pledge of and lien on Pledged Revenues and share ratably, without preference, priority or distinction, as to the source or method of payment from Pledged Revenues or security therefor.

(b) Town shall remit to Trustee from Pledged Revenues all amounts due under this Agreement in the amounts and at the times and for the purposes as required herein. The obligation of Town to make payments of any amounts due under this Agreement, including amounts due after default or termination hereof, is limited to payment from Pledged Revenues and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of Town, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

(c) Town may, at the sole option of Town, make payments due pursuant to Section 1 hereof from its other funds as permitted by law and as Town shall determine from time to time, but Trustee acknowledges that it has no claim hereunder to such other funds. No part of the purchase price payable pursuant to this Agreement shall be payable out of any *ad valorem* property taxes imposed by Town or from bonds or other obligations, the payment of which Town's general taxing authority is pledged, unless (i) the same shall have

been duly budgeted by Town according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

Section 3. Surplus and Deficiency of Revenues from Pledged Revenues. Pledged Revenues in excess of amounts, if any, required to be deposited with or held by Trustee for payments due under this Agreement shall constitute surplus revenues and may be used by Town for any lawful purpose for the benefit of Town, including the payment of obligations to which Pledged Revenues may from time to time be pledged on a basis subordinate hereto. If at any time the moneys in the funds held for payment of amounts due under this Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of this Agreement and, with respect to payment from Pledged Revenues, *pro rata*, as applicable, with amounts due with respect to any Additional Revenue Obligations, and the transfer of any such sum or sums to said fund as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant hereto.

Section 4. Parity Lien Obligations. Additional Revenue Obligations may be incurred but only if Pledged Revenues, in the most recently completed Fiscal Year, shall have amounted to at least two (2.0) times the Maximum Annual Debt Service.

Section 5. Town Control over Revenue Collection.

(a) To the extent permitted by applicable law, Pledged Revenues shall be maintained so that the amounts received from Pledged Revenues, all within and for the most recently completed Fiscal Year, shall have been equal to at least two (2.0) times the Annual Debt Service for the current Fiscal Year. If Pledged Revenues for any such Fiscal Year shall not have been equal to at least two (2.0) times the Annual Debt Service for the current Fiscal Year or if at any time it appears that Pledged Revenues will not be sufficient to meet such requirements, Town shall, to the extent permitted by applicable law, impose new exactions of the type of the Excise Taxes which will be part of the Excise Taxes or increase the rates for the Excise Taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each Fiscal Year in order that (i) Pledged Revenues will be sufficient to meet all current requirements hereunder and (ii) Pledged Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

(b) In order to secure payment of this Agreement and to create a separate and special fund which shall contain only the Pledged Revenues and shall not contain any other moneys of Town, Town shall maintain a special fund known as the "Town of Eagar Pledged Revenues Fund" (the "Pledged Revenues Fund"). Upon receipt by Town, the Pledged Revenues shall be deposited in and to the Pledged Revenues Fund. The Pledged Revenues Fund shall be funded only from the Pledged Revenues received by Town and from no other source. After paying therefrom amounts of the Pledged Revenues for the purposes described herein, the Pledged Revenues Fund may be reduced to zero, including by transferring any such balance to the General Fund of Town.

Section 6. Certain Matters with Respect to Prior Projects.

(a) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, Trustee has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Prior Projects for any particular purpose or the conformity of the Prior Projects to any plans, specifications, construction contract, purchase order, model or sample, or as to their design, construction, delivery, installation, construction oversight and operation or their suitability for use by Town. All such risks shall be borne by Town without in any way excusing Town from its obligations under this Agreement, and Trustee shall not be liable to Town for any damages on account of such risks. Except with respect to any acts by Trustee which are not undertaken at the request of Town or with the prior approval of Town, Town waives all claims against Trustee growing out of the acquisition of the Prior Projects. Trustee shall have no liability to Town for any failure of any contractor to perform any contract or other undertaking with respect to the Prior Projects in any respect. Trustee shall have no obligation to obtain or insure compliance with any required permits or approval procedures with respect to the Prior Projects. In the event of any defect in any item of the Prior Projects or other claim with respect to the Prior Projects, recourse of Town shall be against the contractors, manufacturers, suppliers, etc. of the Prior Projects and, where applicable, the person selling the property to Trustee, and not against Trustee. For such purpose, Trustee hereby assigns and transfers to Town the right, title and interest of Trustee in and to all representations, warranties, guarantees and service agreements relating to the Prior Projects made or entered into by Trustee and by any contractor, manufacturers, suppliers, etc. of the Prior Projects. Trustee further designates Town as its attorney-in-fact granting to Town the right to initiate and take all actions necessary to enforce any and all construction contracts and all such warranties and service agreements with the same force and effect as Trustee could do if the foregoing assignment had not been made. Trustee is entering into this Agreement solely as seller and shall not be personally liable hereunder and shall be afforded the same rights, protections, immunities and indemnities acting hereunder as afforded to it as Trustee under the Trust Agreement. Notwithstanding anything to the contrary herein, at no time shall Trustee be listed in the chain of title to the Prior Projects. Provisions governing the rights, immunities and protections of Trustee under the Trust Agreement are herein incorporated by reference into this Agreement as though fully set forth herein.

(b) Trustee hereby irrevocably appoints Town as its sole and exclusive agent to act for and on behalf of Trustee in refinancing the costs of the Prior Projects. As such agent, Town shall have full authority to do all things necessary to bring about refinancing the costs of the Prior Projects. Trustee shall not be liable, responsible or accountable for the acts of Town as its agent hereunder, and Town hereby assumes all responsibility for the performance of such duties.

(c) Town, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Agreement, peaceably and quietly, have, hold and enjoy the Prior Projects, without suit, trouble or hindrance from Trustee. Town hereby grants and conveys to Trustee, and all persons claiming by, through or under Trustee, including its successors and assigns under the Trust Agreement and the Owners for whom it acts,

a nonexclusive easement upon, in and to the Prior Projects for the purpose of permitting the Prior Projects to be maintained upon the premises.

(d) Notwithstanding any other terms or provisions of this Agreement, the interest of Trustee in the Prior Projects is solely for the purpose of facilitating the refinancing of the Prior Projects, and Trustee shall not have the power, authority or obligation to assume any responsibility for the overall management or maintenance of the Prior Projects, including, without limitation, any day-to-day decision-making or operational aspects of the Prior Projects.

Section 7. Providing for Payment. Town may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying the Payments as provided herein as and when the same become due and payable at their scheduled due dates pursuant to Section 1 hereof or on a date on which they can be prepaid;

(b) by depositing with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with Trustee and available for the Payments is fully sufficient to make, or cause to be made, the Payments at their scheduled due dates or on a date on which they can be prepaid; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable, in such amount as shall be certified to Trustee and Town, by a national firm of certified public accountants acceptable to both Trustee and Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with Trustee and available for the Payments, to make, or cause to be made, the Payments at their scheduled due date or on a date on which they can be prepaid.

Upon any partial prepayment of a Payment, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate or rates on the Obligation remaining outstanding after the partial prepayment so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on such outstanding Obligations when due.

Section 8. Term of Agreement. This Agreement shall not terminate so long as any payments are due and owing pursuant to the Obligations. Subject to Section 7 hereof, upon full payment or provision for payment and in consideration of the timely payment of all of the amounts described in Subsection 1(b) hereof (including the Payments) and provided that Town has performed all the covenants and agreements required by Town to be performed, this Agreement shall cease and expire. The obligations of Town under this Agreement, including, without limitation, its obligation to pay the Payments, shall survive any action brought as provided in the next Section hereof, and Town shall continue to pay the Payments and perform all other obligations provided in this Agreement; provided, however, that Town shall be credited with any amount received by Trustee pursuant to actions brought under the next Section hereof.

Section 9. Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts described in Subsection 1(b) hereof (including the Payments) at the time when the same are to be paid as provided herein or in the Trust Agreement, (B) the violation by Town of any other covenant or provision of this Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to any Additional Revenue Obligations or (D) the insolvency or bankruptcy of Town as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of Town or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the amounts described in Subsection 1(b) hereof (including the Payments) as required hereunder or under the Trust Agreement on the due date or the nonpayment of principal or interest due with respect to any Additional Revenue Obligations on their due dates; (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Agreement not cured within sixty (60) days after notice in writing from Trustee specifying such default and (C) in the case of any other default under any Additional Revenue Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by Town under the Trust Agreement or this Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of Town under the Trust Agreement or this Agreement, and with respect to Pledged Revenues, without notice and without giving any bond or surety to Town or anyone claiming under Town, have a receiver appointed of Pledged Revenues which are pledged to the payment of amounts due hereunder, with such powers as the court making such appointment shall confer (and Town does hereby irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

Each right, power and remedy of Trustee provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by Trustee of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies. The failure to insist upon strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the rights of Trustee to insist upon a strict compliance by

Trustee with all the covenants and conditions hereof. Town shall, upon not less than 10 days' prior request by Trustee, execute, acknowledge and deliver to Trustee a statement in writing certifying that this Agreement is unmodified and in full force and effect (or, if this Agreement has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the amounts payable hereunder have been paid in advance, if any.

(b) Trustee shall in no event be in default in the performance of any of its obligations hereunder unless and until Trustee shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by Town properly specifying wherein Trustee has failed to perform any such obligation. No default by Trustee shall relieve Town of its obligations to make the various payments herein required, so long as the Obligations remain outstanding; however, Town may exercise any other remedy available at law or in equity to require Trustee to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to Trustee under the Trust Agreement.

Section 10. Assignment.

(a) Except as otherwise provided herein, Town shall not assign, transfer, pledge or hypothecate or otherwise dispose of this Agreement or any interest therein, and any assignment in contravention hereof shall be void.

(b) Subject to the terms of the Trust Agreement, all and every part of the right, title and interest of Town in and to this Agreement and all payments of any kind due or which become due to Trustee hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement.

Section 11. Federal Tax Law Provisions.

(a) (i) As described in further detail in the Tax Certificate, no direction for the making of any investment or other use of the proceeds of the Obligations or of the Prior Projects shall be made, permitted from being made or omitted from being made which would cause the Obligations to be "arbitrage bonds" as that term is defined in section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in section 141 (or any successor provision thereto) of the Code, and the requirements of such sections and related regulations of the Code shall be complied with throughout the term of the Obligations. Particularly, Town shall be the owner of the Prior Projects for federal income tax purposes. Town shall not enter into any management or service contract with any entity other than a governmental entity for the operation of any portion of the Prior Projects unless the management or service contract complies with the requirements of such authority as may control at the time or any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Prior Projects. Also, the payment of principal and interest with respect to the Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Obligations, or amounts treated as proceeds of the

Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds may be so invested for an initial temporary period until needed for the purpose for which the Obligations are being executed and delivered, may be so used in making investments in a *bona fide* debt service fund or may be invested in obligations issued by the United States Treasury. Town shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the execution and delivery of the Obligations (initially those in Subsection (b) and the Tax Certificate) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In consideration of the purchase and acceptance of the Obligations by the owners from time to time thereof and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, Town shall, and the appropriate officials of Town are hereby directed, to take all action required to retain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(ii) (A) Town shall take all necessary and desirable steps, as determined by the Mayor and Council of Town, to comply with the requirements hereunder in order to ensure that the Interest Portion is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event Town receives a Special Counsel's Opinion that either compliance with such requirement is not required to maintain the exclusion from gross income of the Interest Portion or compliance with some other requirement will meet the requirements of the Code relating to such exclusion. In the event Town receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(B) If for any reason any requirement hereunder is not complied with, Town shall take all necessary and desirable steps, as determined by Town, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and Town shall pay any required interest or penalty under hereinafter described Regulations section 1.148-3(h) with respect to the Code.

(C) Town designates the Obligations as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. It is represented and covenanted that Town and all subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, during the current calendar year have not issued and will not issue tax-exempt obligations designated as qualified tax-exempt obligations in an aggregate amount, including the Obligations, exceeding \$10,000,000

(D) Written procedures have been established for Town to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Regulations and to monitor the requirements of section 148 of the Code relating to arbitrage, with which Town will comply.

(b) (i) Undefined terms used in this Subsection shall have the meanings given to them in the Code and the Regulations.

(ii) Unless an exception available pursuant to the Regulations applies as indicated in a Special Counsel's Opinion or a written statement of an expert consultant employed pursuant to paragraph (vii) hereof, within 60 days after the end of each Bond Year, Town shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(A) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous Rebate Payments with respect to the Obligations (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous Rebate Payments with respect to the Obligations (determined as of the last day of such Bond Year); and

(B) not later than 60 days after the retirement of the last Obligation, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Obligation).

Each Rebate Payment required to be made under this Subsection shall be filed on or before the date such payment is due, with the Internal Revenue Service at the appropriate location and with required forms and other materials, currently by addressing it to IRS Service Center, Ogden, Utah 84201, and accompanying it with IRS Form 8038-T.

(iii) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(iv) For purposes of paragraph (iii), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(A) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing purchaser would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(B) Except as provided in Subsections (v) or (vi), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(v) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(A) the yield on reasonably comparable direct obligations of the United States; and

(B) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(vi) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(A) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with Town or any other person (whether or not in connection with the Obligations), and that the bid is not being submitted solely as a courtesy to Town or any other person for purposes of satisfying the requirements in the Regulations that Town receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligations.

(B) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(C) At least three reasonably competitive providers (i.e., having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligations (e.g., a lead underwriter within 15 days of the issue date of the Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If Town uses an agent to conduct the bidding, the agent may not bid.

(D) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(E) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(F) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(G) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(H) Town retains until three years after the last outstanding Obligation is retired, (1) a copy of the guaranteed investment contract, (2) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by Town and a copy of the provider's certification described in (G) above, (3) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (4) the bid solicitation form and, if the terms of the guaranteed investment contract deviate from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(vii) Such experts and consultants shall be employed by Town to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Obligations.

(c) Trustee has no duty or obligations under this Section 11 and has no duty to monitor compliance by Town with this Section 11.

Section 12. Covenant as to Conflict of Interest; Other Statutory Restrictions.

(a) To the extent applicable by provision of law, Trustee acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein and which provides that Town may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by Town if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Town is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Trustee within three years from the execution of this Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by Town. No basis exists for Town to cancel this Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by Trustee of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of Trustee by Town. Town retains the legal right to randomly inspect the papers and records of Trustee to ensure that Trustee is complying with the above-mentioned warranty. Trustee shall keep such papers and

records open for random inspection during normal business hours by Town. Trustee shall cooperate with the random inspections by Town including granting Town entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Trustee hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If Town determines that Trustee's certification above is false or that it has breached such agreement, Town may impose remedies as provided by law.

Section 13. Miscellaneous.

(a) No covenant or obligation herein to be performed by Town may be waived except by the written consent of Trustee, and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude Trustee from invoking such remedy at any later time prior to the cure by Town of the condition giving rise to such remedy.

(b) This Agreement shall be construed and governed in accordance with the laws of the State in effect from time to time.

(c) The recitals set forth at the beginning of this Agreement are incorporated in this Agreement by this reference. This Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, supplemented, altered or changed in any respect except by a written document signed by both Trustee and Town, subject to the restrictions with regard thereto provided by the Trust Agreement.

(d) Any term or provision of this Agreement found to be prohibited by law or unenforceable or which would cause this Agreement to be invalid, prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, causing the remainder of this Agreement to be invalid, prohibited by law or unenforceable.

(e) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(f) Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, assigns and personal representatives, as the case may be. Any person or entity acquiring any interest in or to the right, title or interest of Trustee herein shall be and have the rights of a third-party beneficiary hereunder.

(g) This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Trustee:

U.S. BANK NATIONAL ASSOCIATION, as seller

By.....

Printed Name:

Title:

Town:

TOWN OF EAGAR, ARIZONA, a municipal
corporation under the laws of the State of Arizona,
as purchaser

By.....

Mayor

ATTEST:

By.....

Town Clerk

SCHEDULE

<u>Payment</u> <u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Payment</u>
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FIRST TRUST AGREEMENT

by and between

U.S. BANK NATIONAL ASSOCIATION[???],
as Trustee

and

THE TOWN OF EAGAR, ARIZONA

Dated as of _____ 1, 2017

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EXHIBIT - FORM OF OBLIGATION

* * *

FIRST TRUST AGREEMENT

THIS FIRST TRUST AGREEMENT, dated as of _____ 1, 2017 (together with any duly authorized, executed and delivered supplement hereto, this "Trust Agreement"), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association authorized to exercise trust powers in the State of Arizona, as trustee, or any successor thereto acting as trustee pursuant to this Trust Agreement and in its capacity as "Seller" pursuant to the hereinafter described Purchase Agreement (the "Trustee"), and THE TOWN OF EAGAR, ARIZONA, a municipal corporation under the laws of the State of Arizona (the "Town"),

WITNESSETH:

WHEREAS, the Mayor and Council of the Town have determined that it will be beneficial to the citizens of the Town for the Town to prepay the remaining outstanding amounts due pursuant to the Prior Obligation (as such term and all other terms not otherwise defined hereinabove are hereinafter defined) which was entered into for the purpose of financing and refinancing the costs of the Prior Projects; and

WHEREAS, for such purposes, the Mayor and the Council of the Town requested that the Trustee sell and execute and deliver the Obligations, and the Trustee has, as described in this Trust Agreement, caused a deposit to be made to the Costs of Issuance Fund and amounts to be paid to the GADA Trustee as provided herein; and

WHEREAS, the Town and the Trustee will enter into this Trust Agreement to facilitate the administration of the refinancing of the Prior Projects, and the Trustee has full legal authority and is duly empowered to enter into this Trust Agreement and has taken all actions necessary to authorize the execution and delivery hereof;

NOW, THEREFORE, in order to secure the payment of principal and interest (to the extent provided herein) related to the Obligations, the rights of the Owners of the Obligations and the performance and the observance of the covenants and conditions contained in the Obligations, the Purchase Agreement and herein, the Town absolutely and irrevocably pledges and assigns to the Trustee, and the Trustee hereby declares an irrevocable trust and acknowledges its acceptance of all right, title and interest in and to the following described trust estate, which shall be administered by the Trustee according to the provisions of this Trust Agreement:

A. All right, title and interest of Seller in, under and pursuant to the Purchase Agreement, the Payments and any other amounts payable by the Town under the Purchase Agreement and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all such revenues, receipts and other sums of money payable or receivable thereunder, (ii) bring actions and proceedings thereunder or for the enforcement of such rights, and (iii) do any and all other things which the Trustee is or may become entitled to do thereunder;

B. Amounts on deposit from time to time in the funds created pursuant hereto, subject to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

C. Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Obligations, by Seller or by anyone on its behalf or with its written consent, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrance of this Trust Agreement, unto the Trustee and its successors and assigns, forever, subject, however, to the rights of the Town, its successors and assigns, under the Purchase Agreement;

IN TRUST, however, for the equal and proportionate benefit and security of the Owners, from time to time of the Obligations, none of the Obligations being entitled to priority or distinction one over the other in the application of the Pledged Revenues pledged by the Purchase Agreement to the Payments, regardless of the delivery of any of the Obligations prior to the delivery of any other of the Obligations, or regardless of the time or times principal represented by any Obligations is paid or is subject to prepayment with respect to principal represented thereby, all of the Obligations being co-equal as to the pledge of and lien on the Pledged Revenues pledged for the Payments thereof and sharing ratably, without preference, priority or distinction, as to the source or method of payment from the Pledged Revenues or security therefor and conditioned, however, that if the Town shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, this Trust Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereinafter set forth.

For such purposes, the Town and the Trustee hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the first paragraph hereof and in the Recitals hereto and in the Purchase Agreement and unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified.

"Additional Revenue Obligations" means any additional obligations which may hereafter be issued or incurred by the Town (or any financing conduit acting on behalf of

the Town) having a lien upon and payable from the Pledged Revenues on a parity with, and in compliance with the terms of, the Purchase Agreement.

“Annual Debt Service” means the amount to be paid in any Fiscal Year with respect to the Parity Obligations for payment of principal and interest requirements.

“Bond Year” means each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of execution and delivery of the Obligations and shall end on the date selected by the Town, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of payment of the Obligations.

“Bond Yield” means the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Obligations as determined under Regulations section 1.148-4(b), recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). The present value of all such payments shall be computed as of the date of execution and delivery of the Obligations and using semiannual compounding on the basis of a 360-day year.

“Business Day” means any day of the week other than a Saturday, Sunday or a day which shall be in the State a legal holiday or a day on which the Trustee is authorized or obligated by law or executive order to close or a day on which the Federal Reserve is closed as modified by the effect of Section 9.6.

“Closing Date” means _____, 2017.

“Code” means the Internal Revenue Code of 1986, as amended. References to the Code and sections thereof include applicable regulations and temporary regulations thereunder and any successor provisions to those sections, regulations or temporary regulations and any applicable regulations or temporary regulations issued pursuant to the Internal Revenue Code of 1954, as amended.

“Corporate Trust Office” means the office of the Trustee designated in Section 12.2 or any successor corporate trust office.

“Costs of Issuance Fund” means the fund of that name established pursuant to Article III hereof and held by the Trustee.

“Defaulted Interest” has the meaning provided in Section 2.10(d).

“Defeasance Obligations” means, to the extent permitted by law, (1) cash, (2) non-callable direct obligations of the United States of America (“Treasures”) or (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually

against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated or any combination thereof.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the Town or the Trustee relating to the sale and execution and delivery of the Purchase Agreement, this Trust Agreement and the Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations and charges and fees in connection with the foregoing.

"Depository Trustee" means any bank or trust company, which may include the Trustee, designated by the Town, with a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by federal or State authority.

"Designated Office" means the office designated as such by the Trustee in writing to the Town. The initial Designated Office shall be the Corporate Trust Office.

"electronically" or "electronic method" means with respect to notice, one transmitted through a timesharing terminal, computer network or facsimile machine, if operative as between any two parties, or if not operative, by telephone (promptly confirmed in writing).

"Event of Default" means an event of default under the Purchase Agreement as provided in Section 9 thereof.

"Excise Taxes" means the unrestricted transaction privilege and use tax, license and permit and franchise fees, user fees and charges and fines and forfeitures which the Town imposes; provided that the Mayor and Council of the Town may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council.

"Fiscal Year" means the fiscal year of the Town, currently the period July 1 through June 30.

"GADA Trustee" means U.S. Bank National Association, as trustee with respect to the Greater Arizona Development Authority Infrastructure Revenue Bonds, Series 2007A, which were issued to provide the funds with which the loan was made pursuant to the Prior Obligation.

"Gross Proceeds" means:

(i) any amounts actually or constructively received by the Town from the sale of the Obligations but excluding amounts used to pay accrued interest on the Obligations within one year of the date of issuance of the Obligations;

(ii) transferred proceeds of the Obligations under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Obligations within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Obligations in the event the Town encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under this Trust Agreement.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Town or the Trustee and which may include the counsel giving a Special Counsel’s Opinion.

“Interest Payment Date” means each January 1 and July 1, while the principal represented by the Obligations are Outstanding provided that, pursuant to Section 9.6, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment.

“Interest Portion” means the amounts of each of the Payments in the column in the Schedule attached to the Purchase Agreement designated “Interest,” denominated as and comprising interest pursuant to the Purchase Agreement and received by any Owner.

“Investment Property” means any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

“Issue Price” means the price determined as provided in Regulations section 1.148-1(b), initially \$____,000.00.

“Market Value” means the indicated bid value of the investment or investments to be valued as shown in The Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

“Maximum Annual Debt Service” means, for any Fiscal Year, the greatest Annual Debt Service for the then-current or any succeeding Fiscal Year.

"Nonpurpose Investment" means any Investment Property acquired with Gross Proceeds and which is not acquired to carry out the governmental purposes of the Obligations.

"Notification" shall have the meaning provided in Section 10.3.

"Obligations" means the Pledged Revenue Refunding Obligations, Series 2017, executed and delivered pursuant hereto.

"Outstanding" refers to Obligations issued in accordance with this Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a mandatory prepayment installment with respect to principal represented thereby; (ii) Obligations which have been paid; (iii) Obligations which have become due and for the payment of which moneys have been duly provided to the Trustee and (iv) Obligations for which there have been irrevocably set aside with a Depository Trustee sufficient moneys or obligations permitted hereby and by the Purchase Agreement bearing interest at such rates and with such maturities as will provide sufficient funds to pay the principal, interest and premium, if any, represented by such Obligations, provided, however, that if principal represented by any such Obligations is to be prepaid, the Town shall have taken all action necessary to prepay such Obligations and notice of such prepayment shall have been duly mailed in accordance with the proceedings under which such Obligations were issued or irrevocable instructions so to give such notice shall have been given to the Trustee.

"Owner" or any similar term, when used with respect to an Obligation means _____ or the entities described in Section 2.8.

"Parity Obligations" means the Purchase Agreement and any Additional Revenue Obligations.

"Payment Fund" means the fund by that name established pursuant to Article V hereof and held by the Trustee.

"Payments" means the Payments required to be paid by the Town pursuant to Subsection 1(b) of the Purchase Agreement and as set forth in the Schedule to the Purchase Agreement, as modified pursuant to the terms of the Purchase Agreement and subject to the provisions of Subsection 5.2(b).

"Permitted Investments" means any investment permitted by Section 35-323, Arizona Revised Statutes.

"Pledged Revenues" means, collectively, the revenues from the Excise Taxes and the State Shared Revenues.

"Prior Obligation" means the Loan Repayment Agreement, dated as of May 1, 2007, between the Town and the Greater Arizona Development Authority.

“Prior Projects” means the projects which were financed and refinanced with proceeds of the Prior Obligation, consisting of improvements to the Town’s sewer system, the purchase of municipal buildings, land, equipment and a grocery store, and improvements to the Town’s parks.

“Purchase Agreement” means the First Purchase Agreement, dated as of _____ 1, 2017, by and between U.S. Bank National Association, as seller, and the Town, as purchaser.

“Rebate Payment” means any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

“Rebate Requirement” means, for each Bond Year, at any time the excess of the future value of all Receipts over the future value of all Rebate Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Rebate Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

“Receipt” means any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

“Regular Record Date” means the close of business on the fifteenth day of the month preceding each Interest Payment Date.

“Regulations” means the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

“Responsible Officer” means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Corporate Trust Office customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Corporate Trust Office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

“Special Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the Town.

“Special Record Date” has the meaning provided in Section 2.10(d).

“State” means the State of Arizona.

"State Shared Revenues" means revenues from any excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State of Arizona or any agency thereof and returned, allocated or apportioned to the Town, except the Town's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

"Tax Certificate" means the Certificate Relating To Federal Tax Matters executed and delivered by the Town on the Closing Date.

"Town Representative" means the Town Manager, the Town Finance Director or any other person authorized by the Town Manager or the Mayor and Council of the Town to act on behalf of the Town with respect to this Trust Agreement.

Words importing persons include firms, associations and corporations, and the singular and plural forms of words shall be deemed interchangeable wherever appropriate.

Section 1.2. Interpretation.

(a) Any reference herein to the Mayor and Council of the Town or any officer of the Town shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. References to "Articles" and "Sections" are to those in this Agreement.

Section 1.3. Obligations Not General Obligation of the Town. The Obligations shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness or general obligation of the Town within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Town or be a charge against the Town's general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE II SPECIAL REVENUE OBLIGATIONS

Section 2.1. Authorization of the Obligations. The Trustee is hereby authorized and directed to execute and deliver to the Owner, the Obligations, in the total principal amount of \$____,000, evidencing all of the ownership interests in the Payments. In no event shall the Obligations be deemed liabilities, debts or obligations of the Trustee.

Section 2.2. Date; Interest Accrual. The Obligations shall be dated the Closing Date, and interest represented thereby shall be payable from such date or from the most recent Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Obligations.

Section 2.3. Payment Amounts and Dates and Interest Rates. The Obligations shall be in the authorized denomination of the principal amount thereof Outstanding from time to time, and be payable on _____ 1, 20__, in the principal amount of \$____,000, and interest represented by the Obligations shall be computed at the rate of ____% per annum from the Closing Date (on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each).

Section 2.4. Interest on Obligations. Interest represented by the Obligations shall be payable semiannually on January 1 and July 1 of each year commencing January 1, 2018, to and including the date of payment or prepayment of the amount of principal represented by the Obligations. Except for the initial period, said interest shall represent the portion of the Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Obligations. The proportionate share of the portion of the Payments designated as interest with respect to the Obligations shall be computed by multiplying the portion of Payments designated as principal remaining with respect to the Obligations (whether paid as a result of mandatory prepayment or maturity) by ____% (on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each), except that the first portion of the Payments designated as interest shall be for interest from the date of initial execution and delivery to January 1, 2018.

Section 2.5. Form. The Obligations shall be in fully registered, physically certificated form, registered in the name of the Owner, substantially in the form set forth in the Exhibit hereto.

Section 2.6. Execution. The Obligations shall be executed by and in the name of the Trustee by the manual signature of an authorized representative of the Trustee. If the representative whose signature appears on an Obligation ceases to be such representative before the Closing Date, such signature shall nevertheless be as effective as if the representative had remained in office until the Closing Date. Any Obligation may be executed on behalf of the Trustee by such person as at the actual date of the execution of such Obligation shall be the proper authorized representative of the Trustee although at the nominal date of such Obligation such person shall not have been such authorized representative of the Trustee. No Obligation shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Trust Agreement unless and until executed and delivered by the Trustee. The execution by the Trustee of any Obligation shall be conclusive evidence that the Obligation so executed has been duly authorized and delivered hereunder and is entitled to the security and benefit of this Trust Agreement.

Section 2.7. Application of Proceeds. The proceeds received by the Trustee from the sale of the Obligations shall forthwith be applied by the Trustee as follows, in the following order of priority:

(1) \$_____ shall be held in the "Prior Obligation Fund," which the Trustee shall establish as a special trust fund and which shall be closed upon the payment provided in the next sentence. Such amount shall be paid on the Closing Date to the GADA Trustee for prepayment of the Prior Obligation.

(2) The balance (\$_____) shall be deposited in the Costs of Issuance Fund.

Section 2.8. Transfer and Exchange.

(a) Any Obligation may, in accordance with its terms and this Section 2.8, be transferred upon the books required to be kept pursuant to the provisions of Section 2.12 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Obligation for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Obligation or Obligations shall be surrendered for transfer, the Trustee shall execute and deliver a new Obligation in fully registered form for the remaining aggregate principal amount. The Owner may at any time sell or otherwise transfer the Obligations, in whole, to (i) an affiliate of the Owner or (ii) a trust or other custodial arrangement established by the Owner or an affiliate of the Owner, the owners of any beneficial interest in which are limited to "Qualified Institutional Buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Trustee's sole responsibility in connection with any transferee which presents an investment letter to the Trustee is to confirm that any such investment letter is in the form delivered by the Owner in connection with the original execution and delivery of the Obligations; provided, however, the Trustee shall only be obligated to confirm that such investment letter meets such requirement if the Town provides the Trustee with such original investment letter.

(b) Obligations may be exchanged at the Designated Office of the Trustee for the remaining aggregate principal amount of Obligations Outstanding. In connection with any such exchange or transfer of Obligations, the Owner requesting such exchange or transfer shall, as a condition precedent to the exercise of the privilege of making such exchange or transfer, remit to the Trustee an amount sufficient to pay any tax, or other governmental charge required to be paid, other than one imposed by the Town, or any fee or expense of the Trustee or the Town with respect to such exchange or transfer.

(c) The Trustee may, but shall not be obligated to, exchange or register the transfer of an Obligation (i) if principal represented by the Obligation is to be prepaid, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If an Obligation subject to such prepayment is to be so transferred, any notice of prepayment which has been given to the transferor shall be binding on the transferee and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

Section 2.9. Obligations Mutilated, Lost, Destroyed or Stolen. If any Obligation shall become mutilated, the Trustee, at the expense of the Owner of said Obligation, shall execute and deliver a new Obligation for the remaining unpaid principal amount in exchange and substitution for the Obligation so mutilated, but only upon surrender to the Trustee

of the Obligation so mutilated. Any mutilated Obligation so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the Owner of such Obligation. If any Obligation shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner of such Obligation, shall execute and deliver a new Obligation for the remaining unpaid principal amount as the Trustee shall determine in lieu of and in substitution for the Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Obligation delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Obligation issued under the provisions of this Section in lieu of any Obligation alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Obligations secured by this Trust Agreement. The Trustee shall not be required to treat both the original Obligation and any replacement Obligation as being Outstanding for the purpose of determining the principal amount of Obligation which may be executed and delivered hereunder or for the purpose of determining any percentage of Obligations Outstanding hereunder, but both the original and replacement Obligation shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Obligation for an Obligation which has been mutilated, lost, destroyed or stolen, and which has become due, the Trustee may make payment with respect to such Obligation upon receipt of the aforementioned indemnity.

Section 2.10. Payment.

(a) Payment of interest due related to the Obligations on any Interest Payment Date shall be made to the persons appearing on the registration books for the Obligations maintained by the Trustee as the Owners thereof as of the Regular Record Date immediately preceding such Interest Payment Date.

(b) The principal and interest related to the Obligations shall be payable in lawful money of the United States of America.

(c) Interest and principal payable to the Owners (except interest and principal due on July 1, 20__) shall be paid by wire transfer in immediately available funds to an account in the United States of America as directed on the Regular Record Date by the Owners specifying the account address without surrender of the Obligations except as set forth below. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice. Interest and principal payable to the Owners on July 1, 20__, shall be paid upon presentation of the Obligations at the Corporate Trust Office.

(d) Any interest related to the Obligations which is payable on, but is not punctually paid or duly provided for on, any Interest Payment Date ("Defaulted Interest") shall forthwith cease to be payable to the Owners on the relevant Regular Record Date solely by virtue of such Owners having been such Owners. Such Defaulted Interest at the same rate as the Obligations shall thereupon be paid, together with interest thereon at the same rate per annum as such Defaulted Interest, by the Trustee (out of funds provided to it by the Town) to the persons in whose name such Obligations are registered at the close of business on a special record date for the payment of such portion of Defaulted Interest as may then be paid from the sources

herein provided (the "Special Record Date"). When the Trustee has funds available to pay the Defaulted Interest and interest thereon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest and interest thereon which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment by the Trustee. The Trustee shall promptly cause notice of the proposed payment of such Defaulted Interest and interest thereon and the Special Record Date therefor to be mailed, first class postage prepaid, to the Owners of the Obligations at their addresses as they appear in the registration books by the Trustee for the Obligations not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and interest thereon and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest and interest thereon shall be paid to the persons in whose name the Obligations are registered on such Special Record Date.

(e) In the event the Obligations are not presented for payment at maturity, if moneys sufficient to pay the principal and interest related to the Obligations have been deposited pursuant hereto for such payment, all liability to the Owners thereof for the payment thereof will forthwith cease and be completely discharged, and thereupon it will be the duty of the Trustee to hold such moneys as provided herein, without liability for interest thereon, for the benefit of the Owners, who will thereafter be restricted exclusively to such moneys, for any claim of whatever nature on its part hereunder or on, or with respect to, the Obligations.

Section 2.11. Execution of Documents and Proof of Ownership.

(a) Any request, direction, consent, revocation of consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by the Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by the Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of the Obligations shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(1) The fact and date of the execution by any Owner or the attorney or agent thereof of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(2) The fact of the ownership of the Obligations by any person and the amount, the payment date and the numbers of such Obligations and the date of his holding the same be proved on the registration books maintained pursuant to Section 2.12.

(b) Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owners of the Obligations shall bind every future Owner of the Obligations in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent. The fact of ownership of the Obligations by any person and the amount, the payment date and the number of such Obligations and the date of such person's holding the same shall be provided on the registration books maintained pursuant to Section 2.12.

Section 2.12. Obligation Register. The Trustee will keep or cause to be kept, at the Designated Office, sufficient books for the registration and transfer of the Obligations which shall at all times during regular business hours on any Business Day be open to inspection by the Town and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Obligations as hereinbefore provided.

ARTICLE III APPLICATION OF PROCEEDS RECEIVED BY TRUSTEE; COSTS OF ISSUANCE FUND

Section 3.1. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish a special trust fund designated as the "Town of Eagar Series 2017 Costs of Issuance Fund" (herein referred to as the "Costs of Issuance Fund"), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) Amounts in the Costs of Issuance Fund shall be disbursed for the payment of Delivery Costs. Disbursements from the Costs of Issuance Fund shall be made by the Trustee upon receipt of a requisition for disbursement (on which the Trustee is entitled to rely) executed or approved by the Town Representative. Each such certificate shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Delivery Costs and the person or persons to whom said amounts are to be disbursed. The Trustee has no duty or obligation to confirm that such disbursements constitute Delivery Costs.

(c) On the earlier of December 1, 2017, or when all Delivery Costs associated with the Obligations have been paid (as shown by a certificate of a Town Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund and the Costs of Issuance Fund shall be closed.

ARTICLE IV
PREPAYMENT OF OBLIGATIONS

Section 4.1. Prepayment Provisions.

[(a) Principal represented by the Obligations is not subject to optional prepayment prior to July 1, 20___. Principal represented by the Obligations is subject to optional prepayment from a prepayment made by the Town pursuant to Section 7 of the Purchase Agreement, in whole, but not in part, on any date on or after July 1, 20___, at a price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

(b) Principal represented by the Obligations shall be prepaid on July 1 of the years indicated and in the amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Year Prepaid

Principal Amount Prepaid

Section 4.2. Selection of Obligation for Prepayment. The Town shall, at least forty-five (45) days prior to any optional prepayment date, notify the Trustee of such prepayment date of the Obligation.

Section 4.3. Notice of Prepayment; Effect.

(a) The Trustee shall cause notice of the optional prepayment hereunder to be transmitted electronically to the Owners of all of the Obligations at the addresses appearing in the registration books kept for such purpose pursuant to Section 2.12. Such notice shall (1) be sent no more than 60 nor less than 30 calendar days prior to the prepayment date, (2) specify with respect to the Obligations being prepaid the prepayment date and the prepayment price, (3) set forth the name, address and telephone number of the person from whom information pertaining to the prepayment may be obtained and (4) state that on the prepayment date the Obligations will be payable at the Designated Office and that from that date interest will cease to accrue. No defect affecting any Obligation, whether in the notice of prepayment or the

delivery thereof (including any failure to mail such notice), shall affect the validity of the prepayment proceedings for any other Obligations.

(b) If at the time of giving of notice of the optional prepayment of principal represented by the Obligations, there has not been deposited with the Trustee moneys or Defeasance Obligations sufficient to prepay all Obligations subject to such prepayment and the requirements of (d) below are not satisfied, then such notice shall state that the prepayment is conditional upon the deposit of moneys or Defeasance Obligations sufficient for the prepayment with the Trustee and satisfaction of such requirements not later than the opening of business on the prepayment date, and such notice will be of no effect and such Obligations shall not be prepaid unless such moneys or Defeasance Obligations are so deposited and such requirements in (d) below are met.

(c) Notice having been provided in the manner provided in (b) above, the Obligations shall become due and payable on the prepayment date and shall be paid at the prepayment price, plus accrued interest to the prepayment date.

(d) If the money or Defeasance Obligations for the prepayment of the Obligations to be prepaid, together with interest accrued thereon to the prepayment date, is held by the Trustee on the prepayment date, so as to be available therefor on that date, then from and after the prepayment date such principal thereof to be prepaid shall cease to bear interest, and, the Obligations no longer shall be considered to be Outstanding hereunder. If those moneys shall not be so available on the prepayment date, such principal shall continue to bear interest, until paid, at the same rate as they would have borne otherwise.

(e) Moneys deposited in the Payment Fund and held by the Trustee for the prepayment of the Obligations shall be held in trust for the account of the Owners and shall be paid when due.]

ARTICLE V PAYMENT FUND

Section 5.1. Trustee's Rights in Purchase Agreement. The Trustee holds in trust hereunder all of its rights and duties in the Purchase Agreement, including but not limited to all of the rights to receive and collect all of the Payments and all other amounts required to be deposited in the Payment Fund pursuant to the Purchase Agreement or pursuant hereto. All of the Payments and such other amounts to which the Seller may at any time be entitled shall be paid directly to the Trustee in trust, and all of the Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder in the Payment Fund for the benefit of the Owners.

Section 5.2. Establishment and Application of Payment Fund.

(a) The Trustee shall establish a special trust fund designated as the "Town of Eagar Series 2017 Payment Fund" (herein referred to as the "Payment Fund"). So long as the Obligations are Outstanding, the Town shall have no beneficial right or interest in the

Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

(b) Not less than ten (10) Business Days prior to each Interest Payment Date, the Trustee shall notify the Town of the amount required to be paid, after taking into account amounts which will be transferred to the Payment Fund in accordance herewith, on or before such Interest Payment Date, so that a sufficient amount will then be on deposit for both principal and interest represented by the Obligations then due. All amounts received by the Trustee as Payments pursuant to the Purchase Agreement or as transfers pursuant hereto shall be deposited in the Payment Fund.

(c) All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest represented by the Obligations as the same shall become due and payable, in accordance with the provisions of Articles II and IV.

Section 5.3. Transfers of Investment Earnings to Payment Fund. Except as otherwise directed by the Town, the Trustee shall, on or before the next Interest Payment Date occurring on July 1, transfer any income or profit on the investment of moneys in the funds hereunder to the Payment Fund.

Section 5.4. Surplus. Any surplus remaining in any of the funds created hereunder, after prepayment and payment or provision for prepayment and payment of the Obligations, including accrued interest and prepayment premium, if any, and payment of any applicable fees, expenses or indemnities to the Trustee, or provision for such prepayment and payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Town.

ARTICLE VI MONEYS IN FUNDS; INVESTMENT; CERTAIN TAX COVENANTS

Section 6.1. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Obligations and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Town or any Owners.

Section 6.2. Investments Authorized. Upon written order of the Town Representative, moneys held by the Trustee hereunder shall be invested and reinvested by the Trustee, to the maximum extent practicable in Permitted Investments. The Town Representative shall direct such investment in specific Permitted Investments. The Town Representative shall be solely responsible for ascertaining that all proposed investments and reinvestments are Permitted Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Trustee for the reinvestment of any maturing investment. Such investments, if registrable, shall

be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written direction from the Town Representative. In no event shall the Trustee be liable for the selection of investments. The Trustee may conclusively rely upon such written direction from the Town Representative as to both the suitability and legality of the directed investments. The Town acknowledges that regulations of the Comptroller of the Currency grant the Town the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Town specifically waives compliance with 12 Code of Federal Regulations 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

Section 6.3. Accounting. The Trustee shall furnish to the Town, not less than semiannually, an accounting (which may be in the form of its customary statement) of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.2.

Section 6.4. Allocation of Earnings. Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein. At the direction of the Town Representative, any such income, profit or interest shall be transferred and applied if necessary to pay amounts due pursuant to section 148 of the Code.

Section 6.5. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at Market Value. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Section 6.6. Limitation of Investment Yield. In the event the Town is of the opinion that it is necessary to restrict or limit the yield on the investment of any amounts paid to or held by the Trustee hereunder in order to avoid the Obligations, or any of them, being considered "arbitrage bonds" within the meaning of section 148 of the Code, the Town Representative may issue to the Trustee a written certificate to such effect (along with appropriate instructions), in which event the Trustee will take such action as is instructed so to restrict or limit the yield on such investment in accordance with the specific instructions contained in such certificate.

Section 6.7. Other Tax Covenants. In consideration of the acceptance and execution of the Purchase Agreement by the Trustee and the purchase by the Owners of the Obligations, and in consideration of retaining the exclusion of the portion of each Payment

denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations for federal income tax purposes, the Town shall, from time to time, neither take nor fail to take any action, which action or failure to act is within its power and authority and would result in such portion of each such Payment becoming subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the Purchase Agreement or such laws as they may be modified or amended or tax laws later adopted. The Town shall comply with such requirement(s) and will take any such action(s) as are necessary to prevent such portion of each such Payment from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements required by any Special Counsel's Opinion; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Obligations; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys held pursuant to this Trust Agreement and limiting the use of the proceeds of the Obligations and property refinanced thereby.

ARTICLE VII THE TRUSTEE

Section 7.1. Appointment of Trustee. The Town hereby authorizes and directs the Trustee to, and the Trustee shall, execute and deliver the Purchase Agreement, as Seller, and receive all moneys required to be deposited with the Trustee hereunder and shall allocate, use and apply the same as provided in this Trust Agreement. The Town shall maintain as the Trustee a bank or trust company with a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or State authority, so long as any of the Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 7.2. Liability of Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute this Trust Agreement, the recitals of facts, covenants and agreements herein, in the Purchase Agreement and in the Obligations shall be taken as statements, covenants and agreements of the Town, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity hereof or sufficiency of this Trust Agreement, the Purchase Agreement or the Obligations or shall incur any responsibility in respect hereof or thereof, other than in connection with the duties or obligations herein or in the Obligations assigned to or imposed upon it. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in this Trust Agreement and no implied obligations or covenants should be read into this Trust Agreement against the Trustee. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and

powers vested in it, and use the same degree of care and skill in such exercise, as a prudent person would exercise under the circumstances in the conduct of its own affairs.

Section 7.3. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 7.1, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.4. Protection and Rights of the Trustee.

(a) The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to take any action at the request of the Owners unless the Obligations shall be deposited with the Trustee. The Trustee may consult with counsel with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

(b) Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the Town Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(c) The Trustee may acquire and dispose of other bonds or evidence of indebtedness of the Town with the same rights it would have if it were not the Trustee and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of the Obligations.

(d) The recitals, statements and representations by the Town contained in this Trust Agreement, the Purchase Agreement or the Obligations shall be taken and construed as made by and on the part of the Town and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

(e) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

(f) No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(g) The Trustee shall not be accountable for the use or application by the Town or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

(h) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Town of the Prior Projects. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Purchase Agreement or this Trust Agreement for the acquisition of the Prior Projects.

(i) Notwithstanding any provision in this Trust Agreement or the Purchase Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default under Section 9(a)(i)(A) of the Purchase Agreement, unless a Responsible Officer of the Trustee has actual notice thereof or is specifically notified in writing of such default by the Town or the Owners of the Obligations.

(j) The Trustee shall accept and act upon instructions of directions pursuant to this Trust Agreement sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Town elects to give the Trustee email or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Town agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the

Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(l) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the Prior Projects.

(m) Before taking any action under this Trust Agreement relating to an Event of Default or in connection with its duties under this Trust Agreement other than making payments of principal and interest represented by the Obligations as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated, to have resulted from its negligence or willful default in connection with any action so taken.

(n) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of the Obligations relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

Section 7.5. Compensation of Trustee. The Town shall from time to time, pursuant to a fee schedule agreed to between the Town and the Trustee (which schedule may be amended in writing), pay to the Trustee reasonable compensation for its services, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.6. Removal and Resignation of Trustee.

(a) The Town (but only if no Event of Default has occurred and is continuing) or the Owners of the Obligations, at any time upon thirty (30) days' prior written

notice, and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Trustee may at any time resign by giving written notice to the Town. Upon receiving such notice of resignation, the Town shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the Town does not appoint a successor trustee within thirty (30) days following receipt of such notice of resignation or its giving notice of removal, the retiring Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. The Trustee and the Town shall execute any documents reasonably required to effect the transfer of rights and obligations of the Trustee to the successor trustee subject, however, to the terms and conditions herein set forth, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its reasonable charges and expenses (including reasonable fees and expenses of its counsel) and the indemnification under Sections 7.4 and 10.3. Upon such acceptance, the successor trustee shall mail notice thereof to the Owners of the Obligations at their addresses set forth on the registration books for the Obligations maintained pursuant to Section 2.12.

Section 7.7. Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee under this Trust Agreement and to hold title to property or to take any other action which may be desirable or necessary.

Section 7.8. Commingling. The Trustee may commingle any of the funds held by it pursuant to this Trust Agreement in a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 7.9. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the Town, or any of its agents, at any time, upon reasonable prior notice, during regular business hours. The Trustee shall provide the Town Representative with semiannual reports of funds transactions and balances.

ARTICLE VIII
MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 8.1. Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Owners of the Obligations and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement which shall become effective when the written consent of the Owners of a majority of the principal amount of Obligations Outstanding shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the final payment of principal represented by any Obligation or reducing the interest represented thereby or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of this Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental or amending agreement shall become effective as provided in Section 8.2.

(b) This Trust Agreement and the rights and obligations of the Owners of the Obligations, and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement, without the consent of any such Owner, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Trustee (for its own behalf) or the Town, (2) to secure additional revenues or provide additional security or reserves for payment of the Obligations, (3) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (4) to provide for the appointment of a successor trustee pursuant to the terms hereof, (5) to preserve the exclusion of interest represented by the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the Town to continue to issue bonds or incur other obligations the interest on which is likewise exempt from federal and State income taxes, (6) to cure, correct or supplement any ambiguous or defective provision contained herein or therein or (7) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interests of the Owners of the Obligations as evidenced by a Special Counsel's Opinion delivered by the Town to the Trustee. Any such supplemental or amending agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee may rely upon a Special Counsel's Opinion as conclusive evidence that any such supplemental or amending agreement complies with this Section.

Section 8.2. Procedure for Amendment With Written Consent of Obligation Owner.

(a) This Trust Agreement and the Purchase Agreement may be amended by supplemental or amending agreement as provided in this Section in the event the

consent of the Owners of the Obligations is required pursuant to Section 8.1(a). A copy of such supplemental or amending agreement, together with a request to the Owners of a majority of the principal amount of the Obligations Outstanding for their consent thereto, shall be mailed by the Trustee to the Owners of the Obligations, but failure to mail copies of such supplemental or amending agreement and request shall not affect the validity of the supplemental or amending agreement when assented to as provided in this Section 8.2.

(b) Such supplemental or amending agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of a majority of the principal amount of Obligations Outstanding and a notice shall have been mailed as hereinafter in this Section provided. The consent of the Owners of the Obligations shall be effective only if accompanied by proof of ownership of the Obligations, which proof shall be such as is permitted by Section 2.11. Any such consent shall be binding upon the Owners and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owners or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of a majority of the principal amount of Obligations Outstanding shall have filed their consent to such supplemental or amending agreement, the Trustee shall mail a notice to the Owners of the Obligations in the manner hereinbefore provided in this Section for the mailing of such supplemental or amending agreement of the notice of adoption thereof, stating in substance that such supplemental or amending agreement has been consented to by the Owners of a majority of the principal amount of Obligations Outstanding and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental or amending agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental or amending agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all the Obligations after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within sixty (60) days.

Section 8.3. Effect of Supplemental Trust Agreement. From and after the time any supplemental or amending agreement becomes effective pursuant to this Article VIII, this Trust Agreement or the Purchase Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Obligations Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental or amending agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Purchase Agreement, as the case may be, for any and all purposes.

Section 8.4. Endorsement or Replacement of Obligation Delivered After Amendments. The Trustee may determine that Obligations delivered after the effective date

of any action taken as provided in this Article shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Obligation Outstanding at such effective date and presentation of the affected Obligation for such purpose at the office of the Trustee, a suitable notation shall be made on such Obligation. The Trustee may determine that the delivery of substitute Obligations, so modified as in the opinion of the Trustee is necessary to conform to the Obligation Owners' action, which substitute Obligations shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Obligation then Outstanding, such substitute Obligation shall be exchanged at the Designated Office of the Trustee, without cost to the Owner, for an Obligation of the same character then Outstanding, upon surrender of such Outstanding Obligation.

Section 8.5. Amendatory Endorsement of Obligations. The provisions of this Article shall not prevent any Obligation Owner from accepting any amendment or supplement as to the particular Obligations, provided that proper notation thereof is made on the Obligations.

ARTICLE IX COVENANTS, NOTICES

Section 9.1. Compliance With and Enforcement of Purchase Agreement. The Town shall perform all obligations and duties imposed on it under the Purchase Agreement and shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default. The Town, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting any such action will deliver the same, or a copy thereof, to the Trustee.

Section 9.2. Observance of Laws and Regulations. The Town shall well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Town, including its right to exist and carry on business as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 9.3. Recordation and Filing. The Town shall file this Trust Agreement (or a memorandum thereof or a financing statement with respect thereto), and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Owner. The Trustee has no duty or obligation to determine the sufficiency of any such filings.

Section 9.4. Further Assurances. The Trustee (at the reasonable request of the Town) and the Town shall make, execute and deliver any and all such further resolutions,

instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Purchase Agreement and for the better assuring and confirming unto the Owner the rights and benefits provided herein.

Section 9.5. Notification to the Town of Failure to Make Payments. The Trustee shall notify the Town of any failure by the Town to make any Payment or other payment required under the Purchase Agreement to be made to the Trustee, in writing and within one (1) Business Day of any such failure. Such notice shall not be a prerequisite for the occurrence of an Event of Default.

Section 9.6. Business Days. Except as otherwise required herein, if this Trust Agreement or the Purchase Agreement requires any party to act on a specific day and such day is not a Business Day, such party need not perform such act until the next succeeding Business Day, and such act shall be deemed to have been performed on the day required.

ARTICLE X LIMITATION OF LIABILITY

Section 10.1. Limited Liability of the Town. Except for the payment of Payments from the Pledged Revenues when due in accordance with the Purchase Agreement and the performance of the other covenants and agreements of the Town contained in the Purchase Agreement and herein, the Town shall have no pecuniary obligation or liability to any of the other parties or to the Owners with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Obligations or the distribution of Payments to the Owners by the Trustee.

Section 10.2. No Liability of the Town for Trustee Performance. The Town shall have no obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 10.3. Indemnification of the Trustee.

(a) To the extent permitted by law, the Town shall indemnify and save the Trustee and its officers, directors, agents and employees, harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (1) the use, maintenance, condition or management of, or from any work or thing done on, the Prior Projects or any portion thereof or interest therein by the Town; (2) any breach or default on the part of the Town in the performance of any of its obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Prior Projects or any interest therein; (3) any act of negligence of the Town or of any of its agents, contractors, servants, employees or licensees with respect to the Prior Projects; (4) any act of negligence of any assignee of, or purchaser from, the Town or of any of its or their agents, contractors, servants, employees or licensees with respect to the Prior Projects; (5) the acquisition of the Prior Projects or any interest therein; (6) the actions of any other party, including but not limited to the operation or use of the Prior Projects or interest therein by the Town; (7) the ownership of the Prior Projects or interest therein or (8) the exercise and performance by the Trustee of its powers

and duties hereunder, under the Purchase Agreement or the Obligations or in connection with any document or transaction contemplated herewith or therewith. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence or breach of duty under this Trust Agreement by the Trustee, or by its officers, agents, employees, successors or assigns. As security for the payment of amounts due under Section 7.5 and this Section, the Trustee shall be secured under this Trust Agreement by a lien prior to that for the Obligations. The obligations of the Town hereunder for indemnification under this Section shall remain valid and binding notwithstanding, and shall survive, the payment or prepayment of principal represented by the Obligations or resignation or removal of the Trustee or the termination of this Trust Agreement.

(b) Promptly after determining that any event or condition which requires or may require indemnification by the Town hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, the Trustee shall notify the Town in writing of such circumstances or action (the "Notification"). Failure to give such notification shall not affect the right of the Trustee to receive the indemnification provided for herewith. Upon giving of the Notification, the Trustee shall cooperate fully with the Town in order that the Town may defend, compromise or settle any such matters or actions which may result in payment by the Town hereunder. The Town shall give the Trustee notice of its election within fifteen (15) days after receiving the Notification whether the Town, at its sole cost and expense, shall represent and defend the Trustee in any claim or action which may result in a request for indemnification hereunder; provided, however the Trustee may retain its own counsel and still be indemnified against the cost of employing counsel and all other reasonable expenses despite an assumption of the defense by the Town if the Trustee believes in good faith that there are defenses available to it which are adverse to or in conflict with those available to the Town and which the Trustee believes in good faith cannot be effectively asserted by common counsel. The Trustee always has the right to employ separate legal counsel but, subject to the preceding sentence, the fees and expenses of its separate legal counsel must be paid by the Trustee unless the Town and the Trustee have mutually agreed to the employment of the Trustee's separate legal counsel. If the Town timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise or otherwise interfere with the defense or undertakings of the Town hereunder. The Town shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the Town shall pay all losses and the Trustee shall be fully released from such claim or action. If the Town either fails to timely give its notice or notifies the Trustee that the Town will not represent and defend the Trustee, the Trustee may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion, at the expense of the Town. In the event the Town is required to and does indemnify the Trustee as herein provided, the rights of the Town shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

Section 10.4. Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

ARTICLE XI
EVENTS OF DEFAULT AND REMEDIES OF OBLIGATION OWNERS

Section 11.1. Seller's Rights Held in Trust. As provided herein, the Trustee holds in trust hereunder all of the Seller's rights in and to the Purchase Agreement, including without limitation all of the Seller's rights to exercise such rights and remedies conferred on the Seller pursuant to the Purchase Agreement as may be necessary or convenient to enforce payment of the Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of the Pledged Revenues for the payment of the Obligations.

Section 11.2. Remedies Upon Default; No Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon request of the Owners of a majority of the principal amount of Obligations Outstanding and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything herein or in the Purchase Agreement to the contrary, there shall be no right under any circumstances to accelerate the payment date of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Section 11.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of this Article XI or Section 9 of the Purchase Agreement shall be applied by the Trustee in the order following, in the case of the Obligations, upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee and then of the Owners in declaring such Event of Default, including reasonable compensation to the Owners' or the Trustee's agents, attorneys and counsel and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations and, in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 11.4. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority of the principal amount of Obligations Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of the Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Section 11.5. Non-waiver. Except as otherwise provided in this Article, the Owners have the right to institute suit to enforce and collect the Payments as provided in the Purchase Agreement. No delay or omission of the Trustee or of any Owners of any of the Obligations to exercise any right or power arising upon the happening of any Event of Default

shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or the Owners of the Obligations may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners of the Obligations.

Section 11.6. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of the Obligations, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owners.

Section 11.7. Limitation on Obligation Owners' Right to Sue.

(a) The Owners shall not have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (1) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (2) the Owners of a majority of the principal amount of Obligations Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (3) such Owner shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses, and liabilities to be incurred in compliance with such request and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

(b) Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owners of Obligations of any remedy hereunder; it being understood and intended that no one or more Owners of Obligations shall have any right in any manner whatever by its action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal and proportionate benefit of all Owners of the Outstanding Obligations.

(c) The right of the Owners to receive payment of said Owners' proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owners, notwithstanding the foregoing provisions of this Section or any other provision of this Trust Agreement.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Defeasance.

(a) If and when the Obligations shall be paid and discharged in any one or more of the following ways:

(1) By paying or causing to be paid the principal and interest represented by such Obligations Outstanding, as and when the same become due and payable;

(2) By depositing with a Depository Trustee, in trust for such purpose, at or before the payment date therefor, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all principal and interest represented by such Obligations Outstanding; or

(3) By depositing with a Depository Trustee, in trust for such purpose, Defeasance Obligations which are noncallable in such amount as shall be certified to the Trustee and the Town in a report by an independent firm of nationally recognized certified public accountants acceptable to the Trustee and the Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all principal and interest represented by the Obligations at the payment or prepayment dates, which deposit may be made in accordance with the provisions of Section 7 of the Purchase Agreement;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the Town with respect to such Outstanding Obligations shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to subsections (2) or (3) of this Section and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to subsections (2) or (3), the Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such funds.

(b) Any funds held by the Trustee, at the time of one of the events described in paragraph (a) of this Section, which are not required for the payment to be made to the Owners or for the payment of any other amounts due and payable by the Town hereunder or under the Purchase Agreement, shall be paid over to the Town.

(c) The Obligations may be paid and discharged as provided in this Section; provided however, that if principal represented by the Obligations is to be prepaid, notice of such prepayment shall have been given in accordance with the provisions hereof or the Town shall have submitted to the Trustee instructions to be irrevocable as to the date upon which the Obligations are to be prepaid and as to the giving of notice of such prepayment; and provided further, that if the Obligations will not be payable within sixty (60) days of the deposit referred to in subsections (2) or (3) of this Section, the Trustee shall give notice of such deposit by first class mail to the Owners.

(d) No Obligations may be provided for as described in this Section if, as a result thereof, or of any other action in connection with which the provisions for payment of such Obligation is made, the interest payable on the Obligation is thereby made includable in gross income for federal income tax purposes. The Trustee, the Depository Trustee and the Town may rely upon a Special Counsel's Opinion to the effect that the provisions of this Subsection will not be breached by so providing for the payment of any Obligations.

Section 12.2. Notices. All written notices to be given under this Trust Agreement shall be given by overnight delivery or courier or by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States of America mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Town: Town of Eagar, Arizona
 22 West 2nd Street
 Eagar, Arizona 85925
 Attention: Finance Director

If to the Trustee: U.S. Bank National Association
 101 North First Avenue, Suite 1600
 Phoenix, Arizona 85003
 Attention: Global Corporate Trust Services

Section 12.3. Incorporation of State Statutes.

(a) As required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the Town may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Town if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Trust Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Trust Agreement on behalf of the Town within three years from the execution of this Trust Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by the Town. No basis exists for the Town to cancel this Trust Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Trustee of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the services of the Trustee. The Town retains the legal right to randomly inspect the papers and records of the Trustee to

ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Trustee. The Trustee shall cooperate with the random inspections by the Town including granting the Town entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the Town determines that the Trustee's certification above is false or that it has breached such agreement, the Town may impose remedies as provided by law.

Section 12.4. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 12.5. Binding Effect and Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Town or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Town or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 12.6. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Trust Agreement.

Section 12.7. Destruction of Cancelled Obligations. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the Town of the Obligations, the Trustee may destroy such Obligations and, upon the Town's request, deliver a certificate of such destruction to the Town instead.

Section 12.8. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 12.9. Parties Interested Herein. Nothing in this Trust Agreement or the Obligations, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Town, the Trustee and the Owner, any legal or equitable right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, provisions and agreements in this Trust Agreement contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town, the Trustee and the Owners of the Obligations.

Section 12.10. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.11. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Obligations shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Obligations pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By.....

Printed Name:

Title:.....

TOWN OF EAGAR, ARIZONA

By.....
Mayor

ATTEST:

.....
Town Clerk

EXHIBIT

(Form of Obligation)

**THIS OBLIGATION MAY ONLY BE TRANSFERRED BY THE REGISTERED
OWNER HEREOF IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS SET
FORTH IN ARTICLE II OF THE HEREINAFTER DEFINED TRUST AGREEMENT**

Number: R-.....

Principal Amount: \$.....

PLEDGED REVENUE REFUNDING OBLIGATION, SERIES 2017

**Evidencing the Interest of the Owner
Hereof in Payments to be Made by**

THE TOWN OF EAGAR, ARIZONA

to

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Interest Rate:

Maturity Date:

Dated Date:

_____%

July 1, 20__

_____, 2017

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Pledged Revenue Refunding Obligation, Series 2017 (this "Obligation") is the owner of all of the interests in the rights to receive certain "Payments" under and defined in that certain First Purchase Agreement, dated as of _____ 1, 2017 (the "Purchase Agreement"), by and between U.S. Bank National Association (the "Trustee"), and the Town of Eagar, Arizona, a municipal corporation under the laws of the State of Arizona (the "Town"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain First Trust Agreement, dated as of _____ 1, 2017 (the "Trust Agreement"), by and between the Town and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount hereof and to receive semiannually on January 1 and July 1 of each year commencing January 1, 2018 (the "Interest Payment Dates"), until payment in full of the portion of the Payments designated principal or prepayment prior thereto, the portion of the Payments designated as interest coming due during the period commencing on the last date on which interest was paid and ending on the

day prior to the Interest Payment Date or, if no interest has been paid, from the Dated Date specified above. Said interest is the result of the multiplication of said principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Principal and interest represented by this Obligation are payable in lawful money of the United States of America as provided in the Trust Agreement and the other amounts due with respect hereto. The records of the Trustee prevail in the event of discrepancy as to payment.

The Trustee has no obligation or liability to the registered owner of this Obligation for the payment of interest or principal represented by this Obligation. The Trustee's sole obligations are to administer, for the benefit of the registered owner of this Obligation, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this Obligation shall be taken and construed as made by and on the part of the Town, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The Town is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by resolution of the Mayor and Council of the Town adopted on August 1, 2017. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which this Obligation is delivered, the rights thereunder of the registered owner of this Obligation, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the Town under the Purchase Agreement (including with respect to certain obligations secured on a senior lien basis by, and to be secured on a parity lien basis with, the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority of the obligations of which this Obligation is one (the "Obligations"), and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with this Obligation.)

The obligation of the Town to make the Payments does not represent or constitute a general obligation of the Town for which the Town is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the Town, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment date of the Obligations or otherwise

declare any of the Payments not then past due or in default to be immediately due and payable; however, the amount of each of the Payments denominated as and comprising interest shall be calculated at the Default Rate. (This Obligation represents an interest in a limited obligation of the Town (as described herein), and no member of the Mayor and Council, officer or agent, as such, past, present or future, of the Town shall be personally liable for the payment hereof.)

This Obligation is executed and delivered only in fully registered, physically certificated form and shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for Obligations in authorized denominations.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation, for the principal amount remaining payable at maturity will be delivered to the transferee in exchange therefor. The Town and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the Town and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The Trustee may, but shall not be obligated to, exchange or register the transfer of this Obligation (i) if this Obligation has been selected for prepayment, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If this Obligation is so transferred, any notice of prepayment which has been given to the transferor shall be binding on the transferee, and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

[Principal represented by the Obligation is subject to optional prepayment in whole, but not in part, on any date on or after July 1, 20__, at a price equal to the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment but without premium.

Principal represented by this Obligation shall be prepaid on July 1 of the years indicated and in the principal amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Year Prepaid

Principal Amount Prepaid

The Trustee shall give notice of any optional prepayment of this Obligation as provided above no more than 60 nor less than 30 calendar days prior to the prepayment date to the registered owner at its address provided to the Trustee. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes.

If at the time of mailing of the notice of prepayment there has not been deposited with the Trustee moneys or eligible securities sufficient to prepay and other requirements set forth in the Trust Agreement are not met, such notice shall state that it is conditional, subject to the deposit of moneys sufficient for the prepayment and satisfaction of such conditions. If the principal of the Obligations is subject to prepayment and if on the prepayment date moneys for the prepayment thereof are held by the Trustee and those other conditions are met, thereafter such principal to be prepaid shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Trust Agreement. The failure to receive any notice of prepayment, or any defect in such notice in respect of any Obligation, shall not affect the validity of prepayment of any Obligation.]

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened, have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By.....
Authorized Representative

WRITTEN POLICIES AND PROCEDURES FOR TAX-ADVANTAGED OBLIGATIONS

The Town of Eagar, Arizona (the “Issuer”), has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, “tax-advantaged obligations”) that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the “Code”).

The Issuer has established the policies and procedures contained herein (the “Procedures”) as of August 1, 2017, in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the “Tax Certificate”) executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

A. GENERAL MATTERS.

1. Responsible Officer. The Finance Director of the Issuer will have overall responsibility for ensuring that the ongoing requirements described in the Procedures are met with respect to tax-advantaged obligations (the “Responsible Officer”).
2. Establishment of Procedures. The Procedures will be included with other written procedures of the Issuer.
3. Identify Additional Responsible Employees. The Responsible Officer shall identify any additional persons who will be responsible for each section of the Procedures, notify the current holder of that office of the responsibilities, and provide that person a copy of the Procedures. (For each section of the Procedures, this may be the Responsible Officer or another person who is assigned the particular responsibility.)
 - a. Upon employee or officer transitions, new personnel should be advised of responsibilities under the Procedures and ensure they understand the importance of the Procedures.
 - b. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as necessary to ensure that all Procedures have been appropriately assigned.
4. Training Required. The Responsible Officer and other responsible persons shall receive appropriate training that includes the review of and familiarity with the contents of the Procedures, review of the requirements contained in the Code applicable to each tax-advantaged obligation, identification of all tax-advantaged

obligations that must be monitored, identification of all facilities (or portions thereof) financed with proceeds of tax-advantaged obligations, familiarity with the requirements contained in the Tax Certificate or other operative documents contained in the transcript, and familiarity with the procedures that must be taken in order to correct noncompliance with the requirements of the Code in a timely manner.

5. Periodic Review. The Responsible Officer or other responsible person shall periodically review compliance with the Procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be timely remedied through the “remedial action” regulations or the Voluntary Closing Agreement Program available through the Internal Revenue Service (“IRS”) (or successor guidance). Such periodic review shall occur at least annually.
6. Change in Terms. If any changes to the terms of the tax-advantaged obligations are contemplated, bond counsel should be consulted. Such modifications could jeopardize the status of tax-advantaged obligations.

B. IRS INFORMATION RETURN FILING. The Responsible Officer will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for such issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the issue. The Responsible Officer shall file the IRS Form 8038-T relating to the payment of rebate or yield reduction payments in a timely manner as discussed in Section G.12. below. The Responsible Officer shall also monitor the extent to which the Issuer is eligible to receive a refund of prior rebate payments and provide for the timely filing for such refunds using an IRS Form 8038-R.

C. USE OF PROCEEDS. The Responsible Officer or other responsible person shall:

1. Consistent Accounting Procedures. Maintain or confirm maintenance of clear and consistent accounting procedures for tracking the investment and expenditures of proceeds, including investment earnings on proceeds.
2. Reimbursement Allocations at Closing. At or shortly after closing of an issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.
3. Timely Expenditure of Proceeds. Monitor that sale proceeds and investment earnings on sale proceeds of tax-advantaged obligations are spent in a timely fashion consistent with the requirements of the Tax Certificate.
4. Requisitions. Utilize or confirm the utilization of requisitions to draw down proceeds, and ensure that each requisition contains (or has attached to it) detailed information in order to establish when and how proceeds were spent; review requisitions carefully before submission to ensure proper use of proceeds to minimize the need for reallocations.

5. Final Allocation. Ensure that a final allocation of proceeds (including investment earnings) to qualifying expenditures is made if proceeds are to be allocated to project expenditures on a basis other than “direct tracing” (direct tracing means treating the proceeds as spent as shown in the accounting records for draws and project expenditures). An allocation other than on the basis of “direct tracing” is often made to reduce the private business use of bond proceeds that would otherwise result from “direct tracing” of proceeds to project expenditures. *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the tax-advantaged obligations are issued (or 60 days after the issue is retired, if earlier).* Bond counsel can assist with the final allocation of proceeds to project costs. Maintain a copy of the final allocation in the records for the tax-advantaged obligation.
6. Maintenance and Retention of Records Relating to Proceeds. Maintain or confirm the maintenance of careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which proceeds were spent or used. These records should be maintained separately for each issue of tax-advantaged obligations for the period indicated under Section H. below.

D. MONITORING PRIVATE BUSINESS USE. The Responsible Officer or other responsible person shall:

1. Identify Financed Facilities. Identify or “map” which outstanding issues financed which facilities and in what amounts.
2. Review of Contracts with Private Persons. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as “private persons”) with respect to the financed facilities which could result in private business use of the facilities:
 - a. Sales of financed facilities;
 - b. Leases of financed facilities;
 - c. Management or service contracts relating to financed facilities;
 - d. Research contracts under which a private person sponsors research in financed facilities; and
 - e. Any other contracts involving “special legal entitlements” (such as naming rights or exclusive provider arrangements) granted to a private person with respect to financed facilities.
3. Bond Counsel Review of New Contracts or Amendments. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond

counsel to review such amendment or agreement to determine whether it results in private business use.

4. Establish Procedures to Ensure Proper Use and Ownership. Establish procedures to ensure that financed facilities are not used for private use without written approval of the Responsible Officer or other responsible person.
5. Analyze Use. Analyze any private business use of financed facilities and, for each issue of tax-advantaged obligations, determine whether the 10 percent limit on private business use (5 percent in the case of “unrelated or disproportionate” private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits appears to be exceeded.
6. Remediation if Limits Exceeded. If it appears that private business use limits are exceeded, immediately consult with bond counsel to determine if a remedial action is required with respect to nonqualified tax-advantaged obligations of the issue or if the IRS should be contacted under its Voluntary Closing Agreement Program. If tax-advantaged obligations are required to be redeemed or defeased in order to comply with remedial action rules, such redemption or defeasance must occur within 90 days of the date a deliberate action is taken that results in a violation of the private business use limits.
7. Maintenance and Retention of Records Relating to Private Use. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated under Section H. below.

E. LOAN OF BOND PROCEEDS. Consult bond counsel if a loan of proceeds of tax-advantaged obligations is contemplated. If proceeds of tax-advantaged obligations are permitted under the Code to be loaned to other entities and are in fact so loaned, require that the entities receiving a loan of proceeds institute policies and procedures similar to the Procedures to ensure that the proceeds of the loan and the facilities financed with proceeds of the loan comply with the limitations provided in the Code. Require the recipients of such loans to annually report to the Issuer ongoing compliance with the Procedures and the requirements of the Code.

F. ARBITRAGE AND REBATE COMPLIANCE. The Responsible Officer or other responsible person shall:

1. Review Tax Certificate. Review each Tax Certificate to understand the specific requirements that are applicable to each tax-advantaged obligation issue.
2. Arbitrage Yield. Record the arbitrage yield of the issue, as shown on IRS Form 8038-G or other applicable form. If the tax-advantaged obligations are variable rate, yield must be determined on an ongoing basis over the life of the tax-advantaged obligations as described in the Tax Certificate.

3. Temporary Periods. Review the Tax Certificate to determine the “temporary periods” for each issue, which are the periods during which proceeds of tax-advantaged obligations may be invested without yield restriction.
4. Post-Temporary Period Investments. Ensure that any investment of proceeds after applicable temporary periods is at a yield that does not exceed the applicable yield, unless yield reduction payments can be made pursuant to the Tax Certificate.
5. Monitor Temporary Period Compliance. Monitor that proceeds (including investment earnings) are expended promptly after the tax-advantaged obligations are issued in accordance with the expectations for satisfaction of three-year or five-year temporary periods for investment of proceeds and to avoid “hedge bond” status.
6. Monitor Yield Restriction Limitations. Identify situations in which compliance with applicable yield restrictions depends upon later investments (e.g., the purchase of 0 percent State and Local Government Securities from the U.S. Treasury for an advance refunding escrow). Monitor and verify that these purchases are made as contemplated.
7. Establish Fair Market Value of Investments. Ensure that investments acquired with proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors. Consult the Tax Certificate for a description of applicable rules.
8. Credit Enhancement, Hedging and Sinking Funds. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to an issue, and before creating separate funds that are reasonably expected to be used to pay debt service. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to an issue.
9. Grants/Donations to Governmental Entities. Before beginning a capital campaign or grant application that may result in gifts that are restricted to financed projects (or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result that are required to be yield restricted.
10. Bona Fide Debt Service Fund. Even after all proceeds of a given issue have been spent, ensure that debt service funds, if any, meet the requirements of a “bona fide debt service fund,” i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a

debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.

11. Debt Service Reserve Funds. Ensure that amounts invested in reasonably required debt service reserve funds, if any, do not exceed the least of: (i) 10 percent of the stated principal amount of the tax-advantaged obligations (or the sale proceeds of the issue if the issue has original issue discount or original issue premium that exceeds 2 percent of the stated principal amount of the issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual debt service on the issue; or (iii) 125% of average annual debt service on the issue.
12. Rebate and Yield Reduction Payment Compliance. Review the arbitrage rebate covenants contained in the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on proceeds at a yield in excess of the yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.
 - a. Ensure that rebate and yield reduction payment calculations will be timely performed and payment of such amounts, if any, will be timely made. Such payments are generally due 60 days after the fifth anniversary of the date of issue, then in succeeding installments every five years. The final rebate payment for an issue is due 60 days after retirement of the last obligation of the issue. The Issuer should hire a rebate consultant if necessary.
 - b. Review the rebate section of the Tax Certificate to determine whether the "small issuer" rebate exception applies to the issue.
 - c. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the tax-advantaged obligations, ensure that the spending of proceeds is monitored prior to semiannual spending dates for the applicable exception.
 - d. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.
 - e. Even after all other proceeds of a given issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants contained in the Tax Certificate).
13. Maintenance and Retention of Arbitrage and Rebate Records. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any

other records relevant to compliance with the arbitrage restrictions for the period indicated in Section H. below.

- G. RECORD RETENTION.** The Responsible Officer or other responsible person shall ensure that for each issue of obligations, the transcript and all records and documents described in these Procedures will be maintained while any of the obligations are outstanding and during the three-year period following the final maturity or redemption of that issue, or if the obligations are refunded (or re-refunded), while any of the refunding obligations are outstanding and during the three-year period following the final maturity or redemption of the refunding obligations.

ATTACHMENT I TO WRITTEN PROCEDURES

REMEDIAL ACTION PROCEDURES

Capitalized terms used herein but not defined have the meaning assigned thereto in Section 5 below and in the Written Policies and Procedures for Tax-Advantaged Obligations to which these Remedial Action Procedures are attached. This attachment describes written procedures that may be required to be taken by, or on behalf of, an issuer of Obligations.

1. **Background.** The maintenance of the tax status of the Obligations (*e.g.*, as tax-exempt obligations under federal tax law) depends on the compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the "Code"). *The purpose of this attachment is to set forth written procedures to be used in the event that any deliberate actions are taken that are not in compliance with the tax requirements of the Code (each, a "Deliberate Action") with respect to the Obligations, the proceeds thereof, or the property financed or refinanced by the Obligations (the "Financed Property").*

2. **Consultation with bond counsel.** If a Deliberate Action is taken with respect to the Obligations and the Financed Property subsequent to the issuance or execution and delivery of the Obligations, then the Issuer must consult with Greenberg Traurig, LLP or other nationally recognized bond counsel ("bond counsel") regarding permissible Remedial Actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Note that remedial actions or corrective actions other than those described in this attachment may be available with respect to the Obligations and the Financed Property, including remedial actions or corrective actions that may be permitted by the Commissioner through the voluntary closing agreement programs (VCAP) provided by the Internal Revenue Service from time to time.

3. **Conditions to Availability of Remedial Actions.** None of the Remedial Actions described in this attachment are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

(a) The issuer of the Obligations reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the Private Business Tests nor the Private Loan Financing Test of Section 141 of the Code and the Treasury Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(b) The weighted average maturity of the Obligations did not, as of such date, exceed 120 percent of the Average Economic Life of the Financed Property;

(c) Unless otherwise excepted under the Treasury Regulations, the Issuer delivers a certificate, instrument, or other written records satisfactory to bond counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action

is taken is *bona fide* and arm's-length, and that the non-exempt Person using either the Financed Property or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(d) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Issuer as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield on the Obligations subsequent to the date of the Deliberate Action; and

(e) Proceeds of the Obligations affected by the Remedial Action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in Section 4(A) below).

4. **Types of Remedial Action.** Subject to the conditions described above, and only if the Issuer obtains an opinion of bond counsel prior to taking any of the actions below to the effect that such actions will not affect the federal tax status of the Obligations, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(a) Redemption or Defeasance of Obligations.

(i) If the Deliberate Action causing either the Private Business Use Test or the Private Loan Financing Test to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the Issuer may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations pro rata across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Issuer may (subject generally to the limitations described in (iii) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(ii) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the Issuer may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from the gross income of the registered owners thereof for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all of the

maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(iii) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings, or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this attachment is for general information only, and bond counsel must be contacted to discuss other available options.

(b) Alternative Use of Disposition Proceeds. Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(i) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;

(ii) the Issuer reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(iii) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(iv) no action is taken after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Obligations, the Financed Property, or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Treasury Regulations);

(v) Disposition Proceeds used in a manner that satisfies the Private Activity Bond Tests or that are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in Section 4(a) hereof; and

(c) Alternative Use of Financed Property. The Issuer may be considered to have taken sufficient Remedial Actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:

(i) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(ii) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from the gross income of the registered owners thereof under Section 103 of the Code for purposes of federal income taxation or an obligation described in Sections 54A-54F, 54AA, or 6431 of the Code; and

(iii) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield on the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no Remedial Actions are available to remediate the satisfaction of the Private Security or Payment Test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

5. Additional Defined Terms. For purposes of this attachment, the following terms have the following meanings:

"Commissioner" means the Commissioner of Internal Revenue, including any successor person or body.

"Defeasance Escrow" means an irrevocable escrow established to redeem obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay the entire principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

"Deliberate Action" means any action, occurrence, or omission by the Issuer (or, if applicable, by a conduit borrower) that is within the control of the Issuer (or, if applicable, by such conduit borrower) that causes either (1) the Private Business Use Test to be satisfied with respect to the Obligations or the Financed Property (without regard to the Private Security or Payment Test), or (2) the Private Loan Financing Test to be satisfied with respect to the Obligations or the proceeds thereof. An action, occurrence, or omission is not a Deliberate Action if (1) the action, occurrence, or omission would be treated as an involuntary or

compulsory conversion under Section 1033 of the Code, or (2) the action, occurrence, or omission is in response to a regulatory directive made by the government of the United States.

“Disposition Proceeds” means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange, or other disposition of property (other than Investments) financed with the proceeds of the Obligations.

“Nonqualified Obligations” means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the Private Business Use Test or the Private Loan Financing Test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“Private Activity Bond Tests” means, collectively, the Private Business Use Test, the Private Security or Payment Test, and the Private Loan Financing Test.

“Private Business Tests” means the Private Business Use Test and the Private Security or Payment Test.

“Private Business Use Test” has the meaning set forth in Section 141(b)(1) of the Code.

“Private Loan Financing Test” has the meaning set forth in Section 141(c) of the Code.

“Private Security or Payment Test” has the meaning set forth in Section 141(b)(2) of the Code.

“Remedial Action” means any of the applicable actions described in Section 4 hereof, or such other actions as may be prescribed from time to time by the Department of the Treasury or the Internal Revenue Service, which generally have the effect of rectifying noncompliance by the Issuer with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Issuer to maintain the federal tax status of the Obligations.

6. **Change in Law.** This attachment is based on law in effect as of this date. Statutory or regulatory changes, including but not limited to clarifying Treasury Regulations, may affect the matters set forth in this attachment.

2 copies

SPEED CONTROL IN RESIDENTIAL AREAS



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FORWARD

This document is a revision of the "Speed Control in Residential Areas" booklet original written by the Residential Area Speed Control Ad-Hoc Committee. This revision represents the latest information and findings of the Institute of Transportation Engineers (ITE) Michigan Section's Technical Project Committee. The makeup of the Technical Project Committee is as follows:

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The information presented in this document represents the findings of the authors and does not necessarily reflect the views of the Michigan Office of Highway Safety Planning.

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I. INTRODUCTION

The perception of speeding on local streets is probably the most persistent problem facing residents and traffic officials, alike. Although local or residential streets carry the lowest traffic volumes and suffer the fewest traffic crashes, they are the single largest consumer of a traffic engineer's time and energy. Residents observe vehicles being driven at speeds they perceive are too fast and conclude that the speeds would decrease if stop signs were installed. Speeds considered excessive by residents are considered reasonable by these same persons when they are driving in another neighborhood. Every traffic engineer has been shaken by these same residents who announce "if something is not done about the traffic problem on my street, someone is going to be killed and it will be your fault." This is usually followed by a demand for various traffic control measures and often backed up with petitions from residents. Traffic officials then must focus their attention on responding to these pressures, often diverting resources that could be dedicated to solving major capacity and traffic crash problems on other streets.

Residents' complaints are usually accompanied by a proposed solution to the speeding problem...stop signs. Traffic officials respond that stop signs installed to control speeding: (a) don't work, (b) are frequently violated, (c) are detrimental to safety, (d) are not warranted in the Manual* and, (e) actually increase speeds between stop signs. When residents are told that stop signs are not the answer to the speeding problem, they feel they must fight city hall to get them installed. A confrontational relationship is established between residents and traffic officials and the stop sign becomes a "trophy" which is awarded to the winner of the confrontation. Solving the speeding problem becomes secondary to winning the "trophy". The end results of this process are: (1) unhappy citizens, (2) continued complaints and requests for more stop signs, (3) increased political pressure and, (4) often, approval of stop sign installations to bring the controversy, temporarily, to an end. However, experience shows the

* The "Manual" refers to the *Michigan Manual of Uniform Traffic Control Devices* (MMUTCD that specifically states that stop signs should not be used for speed control).

- Access to all properties must be accommodated.
- Access from the nearest arterial to the destination should be as direct as practical.
- Local access to neighborhood facilities must be accommodated.
- All permanently installed devices must be designed to allow emergency vehicle access.
- Consideration must be given to circulation, parking and needs of customers and business owners.
- Consideration should be given to the access needs of essential commercial services such as garbage pickup, snow plowing, student busing, etc.
- Changes must not unduly impact adjacent areas.

It states that residents and local officials must work together with a full understanding of each other's problems, limitations and concerns for the common goal of safety on residential streets. One of the best ways to accomplish this is to have citizens involved in standing or ad hoc community traffic safety committees.

This booklet is intended to be used as a traffic safety tool by traffic engineers, law enforcement officers, elected officials, and community leaders in their day-to-day traffic control responsibilities.

References: 40, 41, 42

speeding problem is usually not solved. Before and after studies show that stop signs usually increase mid-block speeds and create violators of the stop controls.

This booklet introduces traffic engineers, law enforcement officers, elected officials and community leaders to the concept of traffic calming which may help alleviate speeding in residential areas. Traffic calming is the combination of physical controls and community support to reduce the negative effects of motor vehicle use, alter driver behavior and improve conditions for non-motorized users. Some objectives of traffic calming include: reducing speeds for motor vehicles, reducing crash frequency and severity, increasing safety, reducing the need for police enforcement, and reducing cut-through motor vehicle traffic.

Traffic calming measures are typically installed as part of an area wide traffic management scheme rather than on a single street to avoid shifting the problem from one street to another. A successful traffic calming program must include enforcement, education, engineering and community involvement. Community support and participation is an integral part of a successful traffic calming program. This booklet will give guidance on how to set up a successful traffic calming program in your community.

This booklet provides alternatives that may help decrease speeds on residential streets. It discusses the advantages and disadvantages of each alternative. It points out that there is no single, simple solution to all speeding problems that satisfies residents, is effective, and meets good engineering practices and standards. It also stresses that there may not be a tool to reduce speeds. Regardless of the approach used, there are certain criteria that should be followed:

- All devices must meet Michigan Manual of Uniform Traffic Control Devices requirements.
- The integrity of streets classified as Major under the provisions of Public Act 51 must be preserved.
- Permanent traffic control devices should be used to the minimum extent required to achieve the objectives.

II. COMMUNITY INVOLVEMENT

An important component of any traffic calming program is community involvement. If citizens are involved, the chance for problem resolution and a successful traffic calming program is greatly improved. Often the problem cited is one of perception and not fact, and the solution proposed could be ineffective or even counter-productive. One way to avoid the knee-jerk approach to traffic engineering is to develop a process that involves the community. While there are many ways to accomplish public involvement, this section will describe two that have been successful.

Approaches to Citizen Involvement

Standing Committee

Some communities have successfully employed a standing committee, normally referred to as the "Citizen Traffic Committee," to deal with traffic control issues. The makeup, function and authority of the committee are described below:

- a. The committee is appointed by the mayor or council. It should consist of an odd number of members who serve staggered terms.
- b. Non-voting staff experts (police and engineers) are available to prepare agendas, collect data, provide input and send recommendations to the city council.
- c. Efforts should be undertaken to make committee members as knowledgeable as possible about traffic engineering and enforcement principles. This can be realized by providing technical materials and training for committee members.
- d. The Committee reviews citizen requests for traffic control devices and staff analysis of those requests, and makes recommendations to the city council.

The Committee should hold monthly, evening meetings. The standing committee offers several advantages; acts as a buffer between the council and citizens; lessens the pressure to install unwarranted devices; may be perceived as more objective than staff; provides technical and citizen input to the council; and dampens the adversary relationship that often develops between citizens and staff. On the other hand, there are some drawbacks: the committee can become politically motivated; one strong member can have too much influence; it can slow the process; and it requires some staff time.

Ad hoc committee

In this approach, an *ad hoc* or advisory committee is formed when a community seeks help in dealing with a specific traffic control problem. While the governmental agency has the ultimate responsibility, it is highly desirable that the committee and agency work through the process and arrive at a consensus. This process works as follows:

- a. A working committee of neighborhood residents should be selected to represent different parts of the neighborhood. If the neighborhood has an organized association it should be asked to assist with the appointments; otherwise, volunteers are sought.
- b. Committee members should identify the problem brought to their attention.
- c. Staff collects the appropriate data and presents it to the committee. The committee sets goals which are quantifiable, e.g., reduce the average speed by a certain percentage, etc.
- d. Options should be identified and alternatives presented, listing the pros, cons, cost, etc. of each.
- e. Committee and staff reach agreement on the alternative to be recommended.
- f. Committee with staff support presents the plan to the larger community through a large meeting or several small meet-

ings. One large meeting is enough if the plan is not controversial; the number of meetings should be directly related to the complexity of the plan. The purpose of the meetings is to obtain community support.

- g. Once community support is achieved the plan is implemented. If possible, it is best to install temporary measures to determine the impact. This allows for adjustments and even removal if it is obvious that the measures will not produce the desired results.

The advantages of using advisory committees are that they will help develop neighborhood concerns and determine what, if anything, should be done; it builds a relationship between staff and residents to work through future problems; and the process creates a better understanding of traffic engineering and enforcement principles among lay people. Conversely, this process consumes considerable time and effort of staff. If consensus is not reached, the neighborhood can become divided. If not handled deftly by staff, the process can become unwieldy.

References: 19, 25, 28

III. PROBLEM IDENTIFICATION

The first step in a traffic calming program is to identify the problem. When a resident contacts their City, Village or County, a complaint is recorded. The resident will be directed to discuss their concerns with the other residents or an established traffic advisory committee. If an advisory committee has not been established, the public agency will give guidance on how to start one. Residents will assist the public agency in the identification of the problem.

These residents will also assist the public agency in the collection of data. Speed studies, traffic volume studies and license plate surveys, depending on need, will be performed at locations identified by the residents. The data collected will be analyzed to determine if there is a problem. If a problem is not identified, a letter with the supporting data will be sent to the residents explaining the findings and that no further action is required. If a problem is identified, then the public agency will move to the next steps of the program which include enforcement and education.

References: 42

IV. EDUCATION AND ENFORCEMENT

Once a speeding problem has been identified, the next steps in a traffic calming program is to initiate education and enforcement campaigns. Both of these steps should be conducted at the same time since many times a speeding problem can be reduced through effectively enforcing the traffic ordinances and educating the residents. From past enforcement activities, the City of Farmington Hills, Michigan found that most traffic violators within a residential area were the residents who live in the area. Therefore, it is critical to educate the residents of an area where a traffic problem is occurring.

Reference: 42

A. EDUCATION

1. Public Information And Education

An effective way to educate residents is through public information and education campaigns. Public information and education campaigns should be carried out through the mass media by law enforcement members of safety oriented groups. These campaigns "spread the word" about current enforcement emphasis and encourage voluntary compliance with the law. The perception that violators will be apprehended is essential to develop compliance with the law. Selecting the right media for your message is important. Clearly define the reason for the change; i.e., to reduce traffic crash casualties. The size of the audience and project will be a controlling factor in the media you select. An enforcement effort must be coordinated with the information and education campaign.

Reference: 5

2. Neighborhood Speed Watch Program

Another educational tool is the Neighborhood Speed Watch Program whereby residents can help control speeds with minimal police support.

A Neighborhood Speed Watch Program must involve law enforcement personnel and residents working as a team. Law enforcement's role is to provide the educational material and, if necessary traffic law enforcement. An effective tool used for education is speed radar trailers. The trailers are unmanned and equipped with radar equipment to detect the speed of vehicles. The trailer clocks the speed of an approaching vehicle and displays the speed on a display board that is visible to the motorist. This shows the motorist the actual speed at which they are traveling.

The neighbors must educate each other, establish their goals, and police themselves. Neighbors identify the speeders, the police make personal contact for the purpose of educating the speeder, and involve law enforcement as a last resort.

This program has the benefit of bonding the neighborhood together. The off-shoots of this are invaluable. The reduction of negative contacts with law enforcement enhances its image. The time involvement will depend on the individual's role and the size of neighborhood or community that is targeted. The media relationship involvement relates to the target area.

Neighborhood Speed Watch Programs rely on peer pressure and community spirit to increase awareness in a subdivision that may experience speeding traffic. It considers the fact that in a self-contained subdivision, the drivers involved are neighbors and friends of the people complaining of speeding. Neighborhood Speed Watch Programs have little or no effect on "through" traffic problems.

Typically, to be included in a Neighborhood Speed Watch Program, a street must (1) be a local street, (2) experience 85th percentile speeds in excess of 10 MPH greater than the posted speed, and (3) receive support from most of the households.

Once established, the following actions are taken:

- a) A personal letter is sent to all households explaining the Program.

- b) Neighborhood Speed Watch Program signs are posted.
- c) Committee members call each household in the specific area to explain the program and appeal for cooperation.
- d) Radar speed observations are made by local traffic personnel and personal letter are sent by the Chief of Police to drivers or owners of vehicles observed speeding.
- e) Periodic speed studies are made to determine the Program's effectiveness.
- f) Neighborhood organizations are involved as necessary.

Reference: 9, 42

B. ENFORCEMENT

1. Surveillance/Enforcement

Selective traffic law enforcement is the process of assigning police officers to a specific area at specific times to enforce traffic laws relating to a specific problem. The allocation of officers to the area is usually for a limited period.

When a police agency becomes aware of a particular traffic safety problem, officers can be assigned to the problem area to enforce related laws. Decisions must be made as to enforcement strategy, number of officers, time of day or any combination thereof, depending on the variables related to the location, type of violations, available officers, etc.

This type of activity tends to only solve the problem in the presence of the officer. The more officers assigned, the more effective this method. This is a costly process especially when it involves overtime or diverting officers from other assignments.

2. Automated Speed Enforcement Device

The newest tool in speed enforcement is the Automated Speed Enforcement Device, which is currently being tested at selected locations throughout the U.S. This device consists of a speed radar device and a 35 mm camera interfaced through a computer. It is located in an unmarked vehicle parked on the side of a road. As each vehicle comes within radar range its speed is determined. If that speed is over the preset threshold speed, the camera takes a photograph of the vehicle and its license plate.

The owner of the vehicle is then informed by either a warning letter or ticket of the date, time location, posted speed and travel speed of the vehicle. Currently, Michigan law does not permit the issuance of a ticket.

V. ENGINEERING

When the education and enforcement campaigns prove to be ineffective, the location qualifies for further analysis to determine what traffic engineering measure, if any at all, should be installed to effectively reduce speeds. In certain situations, vehicle speeds can only be effectively reduced by physical diversion of the traffic on the travelway. The application of traffic control devices, such as signs, alone normally are not effective in reducing vehicle speeds through residential neighborhoods. However, when used in conjunction with traffic calming devices, the proper use of traffic control signs can be an effective traffic management tool.

A. TRAFFIC CONTROL DEVICES

1. Stop Signs

The basic purpose of stop signs is to assign right-of-way to vehicles at intersections. There are Stop Sign Warrants outlined in the MMUTCD which must be satisfied before a stop sign can be installed. Stop signs are requested by residents more than any other traffic control device for the reduction of vehicle speeds and traffic volumes. Unfortunately, studies have shown that stop signs are largely ineffective in meeting the residents' requests for speed control.



a. Two-Way Stop

This is used to assign right-of-way to traffic on one of two intersecting streets by requiring traffic on one street to come to a complete stop. It is suitable where:

- one street is a major street;
- sight distances approaching the intersection are substandard, and traffic approaching under the general rules for uncontrolled intersections would run a strong risk of being involved in collisions;

- there is a history of a crash pattern that could be corrected by right-of-way controls, yet conditions do not require traffic on both streets to stop.

b. Four-Way Stop

This type of intersection control is intended primarily where two collector or major streets intersect and do not warrant a traffic signal. Its purpose is to assign right-of-way to traffic on both intersecting streets by requiring all approaching vehicles to come to a complete stop.

c. Effect on Traffic Volumes

When local streets offer significant savings in time over congested parallel major and collector routes, or allow avoidance of congestion points, traffic control devices, including stop signs, will do little to reduce traffic volumes. However, when the local streets offer only a slight savings in travel time over other routes, the time lost at stop signs may be enough to keep traffic off of local residential streets.

Stop signs may be installed at uncontrolled intersections in residential neighborhoods with a street network arranged in a grid pattern. Traffic would be stopped on every other block throughout the entire residential neighborhood. With no continuous "through" streets in the neighborhood, an even distribution of traffic would be encouraged.

d. Effect on Traffic Speed

Numerous studies have shown that stop signs are relatively ineffective as a speed control measure, except within 150 feet of the intersection. At the point of installation, speeds are reduced, but the effect on traffic approaching or leaving the stop-controlled intersection is negligible. In fact, some motorists actually increase their speed to make up for the "inconvenience" of stopping or disregard the stop signs. Studies show that more than 50% do not stop.

A study conducted in Boulder, Colorado, demonstrated that the 85th percentile speed and mean speeds on 25 mph and 35 mph roads were greater in areas that were controlled by stop signs.

Studies in various California cities showed a slight increase, or no change, in vehicle speeds after the installation of stop signs.

While the request for stop sign installation leads all resident requests for speed control measures, it must be emphasized that studies have proven there is little or no effect on vehicle speeds in residential road networks after installation.

e. Warrants/Compliance

Warrants for stop sign installations are included in the Michigan Manual of Uniform Traffic Control Devices (MMUTCD). These warrants relate to right-of-way assignment and respond to site safety consideration.

A stop sign observance study of unwarranted four-way stops in Troy, Michigan, found that the percentage of "no" or "roll" stops to be significant after installation of unwarranted stop signs, while there was no significant change in 85th percentile speeds.

Many studies have been conducted to determine the degree to which stop signs are obeyed. When not required to stop by cross street traffic, only 5 to 20 percent of all drivers come to a complete stop; 40 to 60 percent will come to a "rolling" stop below 5 MPH, and 20 to 40 percent will pass through at higher speeds. High-volume, four way stop-controlled intersections have demonstrated the highest compliance levels, while three-way stop controlled intersections have shown the lowest.

In Star City, West Virginia, before and after studies showed an increase in "no-stops" from 14.1% to 25.1% when two-way stop intersections were converted every summer to four-way stops for pedestrian safety. Mean Speed was not significantly affected by the presence of the four-way stops. The recommendation of this particular study was to end the practice of using four-way stops for speed control.

Studies have shown that when a driver does not believe that a stop sign appropriately reflects the actual traffic conditions, the driver often disregards it. The use of unwarranted stop signs not only decreases the compliance levels of motorists, but has the unintended effect of decreasing compliance at intersections where stop signs have been installed for warranted operation and collision reduction.

f. Effect on Traffic Safety

While no study has proven the effectiveness of stop signs as traffic safety measures, general engineering belief is that the unwarranted use of stop signs increases the safety hazard at the intersection. This is shown in the studies of the compliance rates at stop-controlled intersections. In addition, motorists disregard for unwarranted stop signs presents a significant hazard to crossing pedestrians.

Effects of unwarranted stop signs on driver behavior and safety at stop signs throughout a community are difficult to substantiate. Evidence to date on the safety effects of individual stop signs placed for volume and speed reduction purposes is mixed. At some intersections where a degradation in safety was measured, placement of the signs in poor visibility positions and lack of supplementary markings may account for the crash experience. Cases where safety experience was reportedly improved may include instances where traditional warrants for stop sign installation were actually met, or were close to being met.

g. Environmental Effects

Stop signs affect the environment around the intersection, and the use of unwarranted stop signs could unnecessarily add to this problem. Stopping and idling at intersections increases the amount of automobile exhaust in the area. In addition, tire noise and engine noise increase with the braking and acceleration associated with stop signs. Automobile fuel consumption is increased with the stopping, accelerating, and idling of vehicles at stop-controlled intersections.

h. Community Reaction

Residents often see stop signs as a solution to "near miss", as well as actual crashes. They are also viewed as being effective at controlling vehicle speeds. Suggestions that unwarranted stop signs have very poor compliance and that they might be detrimental to safety are generally discounted by residents. Residents also dismiss concerns over a community's exposure to tort liability for unwarranted use of traffic control devices. By disregarding the warrants presented in the MMUTCD, this presents potential liability concerns for the responsible jurisdiction. If a stop sign installation could be considered irresponsible or in clear contradiction to accepted standards, liability suits could result.

Objections to stop signs come mainly from residents at the intersections who are subjected to additional noise and pollution which come from decelerating and accelerating vehicles, and from motorists who think they are being stopped needlessly.

It should be the goal of the traffic engineer and local policy makers to explain to the public why unwarranted stop signs are ineffective at controlling vehicle speeds. Special attention should be given to explaining the adverse effects on the environment, motorist safety, and pedestrian safety.

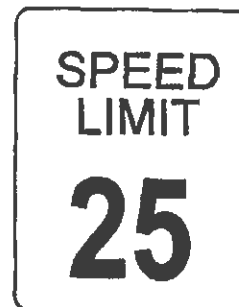
A community's policy of installing 4-way stops at school crossings should be reviewed in light of the above items. Stops at these locations are only useful about 2% of the time. Therefore, 98% of the time, they can be serious traffic safety hazards.

References: 1, 2, 3, 4, 36, 37, 38, 39, 40

2. Speed Limit Signs

a. Speed Limit Signs/Speed Zoning

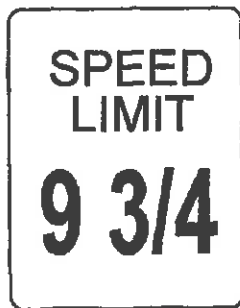
The speed limit sign is a regulatory device that informs drivers of the speed limit imposed by the governing agency. Some signs merely remind drivers of the limits applicable to the type of highway and area. Where the speed



limit is not applicable to specific sites because of special hazards, a deviation from that limit is shown by posting advisory speed signs. A new speed limit is determined by an engineering and traffic study of the street section involved. Special attention is given to the character of the street (sidewalks, driveways, and sight obstructions), horizontal and vertical alignment, pedestrian activities, and hazards which may not be easily detected by drivers. If no unusual safety problems are detected, the 85th percentile speed of traffic on a street is usually taken as an indication of the speed limit which could be implemented.

Studies that tested the effect of speed limit signs on speeds have been largely confined to major streets and expressways. Performance on these highways is not considered relevant to the local street situation. Studies have shown that speed limit signs have very little impact on drivers' speeds on major streets. Motorists drive at speeds that they consider reasonable, comfortable, convenient and safe under existing conditions. Drivers appear not to operate their vehicles by the speedometer, but by roadway conditions.

Speed limit signs, other than the standard 5 MPH increment (i.e., 28 MPH), are not standard and may be illegal. The desired effect of posting a non-standard speed limit sign is to gain compliance by capturing the driver's attention with a unique number. If drivers are consciously aware of the speed limit, they are more likely to comply with it. While the signs are inexpensive, they do not conform to the MMUTCD. Initially, the signs would be noticed and make drivers aware of their speed. Once drivers became used to the signs, they have no further effect on drivers' speeds.



If posted speed limits are significantly lower than prevailing traffic speed, residents normally place some hope in them or in subsequent enforcement. However, if the posted limits are within a few miles per hour of the previously prevailing traffic speed, they are not addressing the residents' problem.

b. Speed Limit Signs With Other Devices

Speed limit signs with flashing beacons have been shown to have a minor effect in reducing vehicular speeds. Such signs have been shown to be most effective in school zones. Other traffic activated signs with variable messages and warnings may also have minor effectiveness in reducing speeds.

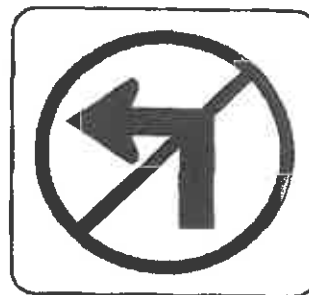
One such device is a trailer-mounted variable message sign with a radar speed gun which displays the posted speed limit and the approaching driver's speed. The intent is to increase the motorists' awareness of both posted speed limit and their own travel speed.

Observations show that most motorists reduce their speed when they see the device. In addition to reducing motorists' speeds, other advantages of the equipment include the creation of positive public relations, better acceptance of speeding tickets, and its ability to act as a teaching device. The disadvantages include potential vandalism to the equipment if left unattended, and it may encourage speeding by those who wish to "test" it. Its speed reduction effectiveness is isolated to the immediate area and time of its use, and this likely will diminish over time. However, effectiveness can be improved with the use of visible speed enforcement.

References: 5, 6, 7

3. Turn Prohibitions

Turn prohibitions will reduce traffic volumes, noise, and, in some cases, speeds on streets where they are applied. They may also improve traffic safety on streets to which they are applied. However, volumes, noise and speeds will increase on alternate routes. They are difficult to enforce, and reduce access for residents. In some cases, speeds may increase, and traffic safety may decrease, when motorists are forced to take alternate routes.



Turn prohibitions can be used to reduce traffic volumes on local streets by installing them on major/collector streets to prevent traffic from entering local streets. Such controls are usually in effect during peak traffic volume hours, when motorists are seeking less congested, alternate routes.

Although turn prohibitions have been in use for some time, very little quantitative research was found, and it was related to the number of violations. Violations in the range of 10% to 15% of the original turning volume can be expected.

Reference: 8

4. One-Way Streets

The use of one-way streets has mixed results. They are not useful in reducing speeds on local streets. In fact, the use of one-way signs may increase speeds in the permitted direction, and may increase the amount of cut-through traffic on other residential streets.

One-way streets can be used to make travel through a neighborhood difficult by creating a maze effect in the internal street pattern, which may discourage through traffic. However, the amount of traffic on other residential streets may be increased.

Reference: 8

5. Commercial Vehicle Prohibitions

It is a common practice in communities to prohibit commercial vehicles from most, if not all, local streets in residential areas. This is done to protect the pavements and eliminate nuisances. However, commercial vehicles are normally allowed to travel on any street when engaged in pickup and delivery. Such regulations are unlikely to affect vehicle speeds, but they will reduce truck traffic volume and noise.

Reference: 8

6. Special Warning Signs

Special warning signs such as "Children at Play", "Watch for Children", or others that warn of normal conditions are not effective in reducing speeds in residential areas. It is also likely that such signs encourage parents to believe that there is an added degree of protection, which is not the case. These signs suggest that it is acceptable for children to play in the street. The Michigan Vehicle Code prohibits the use of signs not deemed standard by the MMUTCD.

The MMUTCD provides standards for signs warning drivers that they are approaching recreational facilities such as parks and playgrounds. However, there is not enough evidence to determine the effect of these warning signs on vehicle speeds.

Reference: 40

7. Portable Signs

One growing trend in many communities is the use of portable stop signs placed in the street between crosswalks, to protect pedestrians. This has actually turned out to be a very controversial issue in many areas.

Municipalities feel that these signs are very effective in forcing traffic to stop for pedestrians in crosswalks. However, some state departments of transportation have banned the use of these portable signs, citing reports that the signs, when hit by vehicles, have caused injuries to nearby pedestrians. The MMUTCD states "As noted herein or for emergency purposes, portable or part-time STOP signs shall not be used". The exceptions refer to hand-held STOP signs used by construction flaggers and school crossing guards.

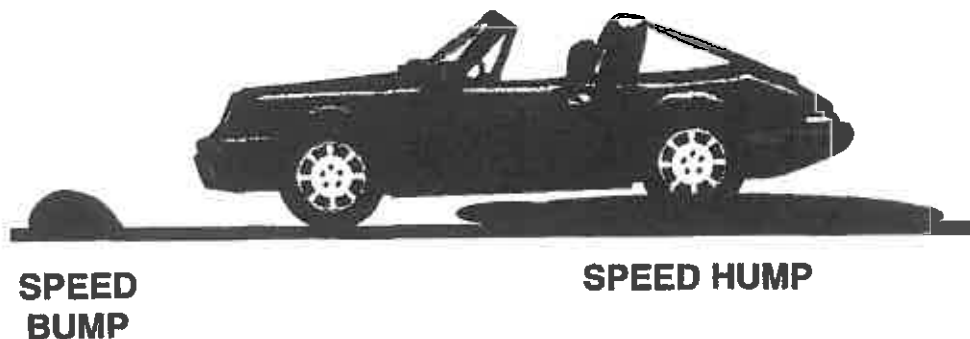
B. TRAFFIC CALMING DEVICES

1. Speed Humps and Bumps

The speed hump is generally 3 to 4 inches high, rounded section of pavement, approximately 12 feet in length. A speed bump is approximately 12" to 18" long, causing a more severe "bump" to be felt by the driver.

The speed hump was developed in the Transportation Road Research Laboratories (TRRL) in Great Britain and has been tested in closed test areas and on public roads. Tests in the United States and in various countries around the world, have shown speed humps to be effective in controlling vehicle speeds and in reducing traffic volumes in the immediate area of the hump or bump.

Studies in Australia, the United Kingdom, and the United States have shown reductions in 85th percentile speeds ranging from 3 MPH to 14 MPH between speed humps and from 6 MPH to 27 MPH at the speed hump location. Recent experience in a Michigan community indicated a 5 mph reduction in the 85th percentile speed. Volumes were found to be reduced from 1 to 55 percent.



Another type of speed hump is the flat top hump or speed table. These humps are typically 22 inches long with a 10 foot flat

section and can be used on collector roads with more than 12,000 vehicles per day. This type of speed hump can serve as pedestrian crossings. Studies have shown these humps not only greatly reduce the 85th percentile speed of mainstream traffic but also have shown that, unlike speed humps, the speed between the humps and at the humps are essentially the same as before hump or bump installation.

Some of the negative effects of speed humps are an increase in noise level from individual vehicles near the humps caused by braking and acceleration, but not due to the sound of vehicles striking the humps. Studies have shown that speed humps have a more severe impact on longer wheel base vehicles and should not be used on neighborhood collectors, major fire and ambulance routes, or on routes frequently used by large trucks or buses. They are a major hindrance to snowplowing efforts.

Often the implementation of such traffic calming measures bring up liability issues. A recent survey of a number of communities using different traffic calming devices found that most had no legal problems at all while the remainder had mostly experienced threats and no action. As more and more traffic calming devices are installed, the question of the legality of these measures are becoming irrelevant.

The reports on speed humps have shown that both the design and location/spacing of speed humps are critical. For typical residential streets the most widely used design is the circular, parabolic speed hump. A series of speed humps is more effective than a single installation. The spacing of speed humps ranges from 200 feet to 750 feet, depending upon the desired 85th percentile speed between speed humps. Formulas have been developed to determine the optimal spacing of humps, depending on the use of either a 3 inch or a 4 inch high hump. Adequate pavement markings and traffic signs are important to warn drivers of speed humps. Speed humps can be installed on roadways carrying 3,000-8,000 vehicles per day. The cross-section design of humps or bumps is critical to their effectiveness.

The speed hump should not be confused with the speed bump that is 3 to 5 inches in height and 1 to 1 ½ feet in length. Because speed bumps are abrupt, they are considered to be potentially hazardous for motor vehicles. The main use of the speed bump

has been in private parking lots and on private roads. They are generally considered to be inappropriate by traffic engineers because they are not included in design guides.

As of September 10, 1997, The Institute of Transportation Engineers (ITE) plans to publish the recommended practices for Guidelines for the Design and Application of Speed Humps.

References: 10, 11, 12, 13, 14, 15, 16, 32, 33

2. Rumble Strips

Rumble strips are a series of either bumps or depressions in the pavement. They are intended to alert drivers of a special situation, such as a speed reduction or stop ahead condition. They are typically ½ to 1 ½ inches high or deep, 3 to 4 inches wide and placed 90° to traffic flow.

Rumble strips produce both an audible rumble and a vibration that creates an awareness of a condition for which a driver must react. They are used most frequently on shoulders of high-speed roadways to alert drivers that they are not driving in the travel lanes of a road. They are also commonly used to alert drivers in rural or high speed areas of an unexpected stop-ahead condition.

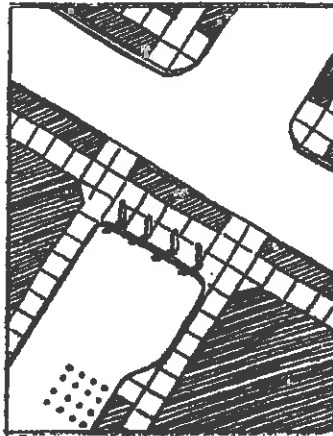
Many states now use 'portable' rumble strips, which are basically high density rubber sheets with a series of undulations. Though these are popularly used near construction zones, these may be used as a temporary measure in residential areas before installing permanent rumble strips.

Little research has been performed in residential areas for their use as a speed control device. A study in the City of Rochester Hills showed speed reductions of up to 2 MPH, whereas another study showed reductions of up to 15 MPH. Rumble strips can produce an annoying noise, cause vibration in nearby homes and be snow removal obstructions. One study suggests they should not be used where there is significant bus or truck activity or where traffic volumes exceed 2,500 vehicles per day. Due to the adverse effects, their installation must be carefully considered.

References: 4, 17, 18

3. Street Closures

The primary effect of street closures is to eliminate through traffic rather than to reduce speed. There may be some speed reduction



because higher speed through traffic is discouraged from using the neighborhood streets. This is true particularly where a pattern of closures is carefully designed to accomplish this end. Street closures can be constructed at an intersection or at midblock. The midblock application can be effectively used where it is desired to restrict traffic in a residential section while allowing access to a high traffic generator adjacent to the residential area. Generally, whenever a street closure is used, a cul-de-sacs should be constructed so as not to "trap" a

vehicle. Cul-de-sacs often require the purchase of right-of-way and often are constructed in a resident's front yard.

Among the disadvantages of street closures are:

- Restricted access to the neighborhood by service and emergency vehicles.
- Problems with vandalism and maintenance.
- Traffic is often transferred to neighboring streets, generating new problems and complaints.

Street closures are difficult to apply to existing roadways and are better suited for newly developing subdivisions.

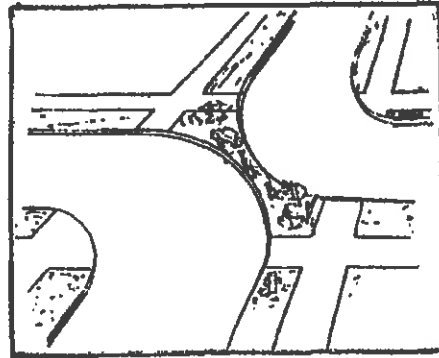
When cul-de-sacs are used, adequate turnaround areas must be provided at the end of the street. Proper signs must be installed to warn drivers of the end of the street.

Reference: 8, 28

4. Traffic Diverters

a. Diagonal Diverters

Diagonal diverters are barriers placed diagonally across an intersection. This converts a normal four-legged intersection into two separate roadways, each with a 90° turn. The purpose is to discourage "through" traffic by requiring it to take a circuitous route through the neighborhood.



Speeds of vehicles are only affected in the immediate vicinity of the diverter because drivers must make a 90° turn. Diverters may discourage drivers from using the street as a short-cut route. However, some drivers will simply move to another residential street, thus moving the problem. Since they create formidable barriers in the intersection, they must be marked similar to one-way streets and have appropriate lights so they can be seen at night.

References: 8, 9, 19

b. Semi-Diverters

A semi-diverter is a barrier placed transverse to traffic at the beginning of a block. It prohibits traffic from entering the block, but allows two-way traffic within the block. Since they create formidable barriers in the intersection, they must be marked similar to one-way streets and have appropriate lights so they can be seen at night.

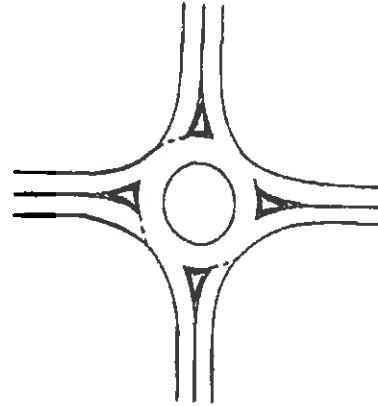
Semi-diverters have no effect on speeds other than in the immediate vicinity of the barrier. They can reduce traffic volumes, but only at the end of the block at which they are placed. The violation incidence can be quite high.

Reference: 8, 19

5. Traffic Islands

a. Traffic Roundabout

Modern roundabouts are different from traditional traffic circles, in that all approaching traffic yields right of way to circulating traffic. This is reinforced through the use of yield signs on the approaches. Other characteristics of roundabouts include deflection and flared approaches. Use of deflection helps slow entering vehicles, leading to safer merges with the circulating traffic stream. The use of splitter islands helps drivers perceive a change in the roadway geometry and enter the roundabout safely. Benefits of roundabouts realized in the states of California, Florida, Maryland and others include slowing of traffic, reducing delay and emissions when compared to stop/signal controlled intersections, improving safety and aesthetics.



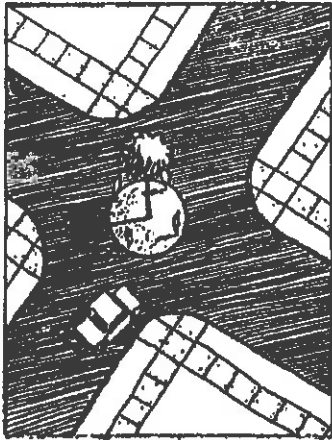
Its primary use is to reduce crash frequency at residential intersections. These roundabouts also have an effect on traffic volume and speeds.

At ten study locations, average speeds were reduced 4 MPH (from 27.5 MPH to 23.3 MPH) downstream from the circles, but only for short distances. Speed reductions can be even more significant near the circle, similar to speeds near stop signs.

One study shows a significant 77% decrease in crashes. Traffic volumes on the higher volume street at twenty study locations decreased an insignificant 2%. The construction cost of a roundabout is quite high (\$10,000 - \$30,000).

References: 4, 8, 19, 20, 30

b. Traffic Islands



A traffic island is a defined area, painted or raised, included in highway design for the primary purposes of controlling and directing traffic movements. They also provide refuge for pedestrians, reduce excessive pavement areas, and can be used to indicate proper use of an intersection or to locate traffic control devices.

Painted/striped islands do not affect speeds significantly; raised islands reduce vehicle speeds in some instances, mostly in combination with narrow lanes, which can create hazards.

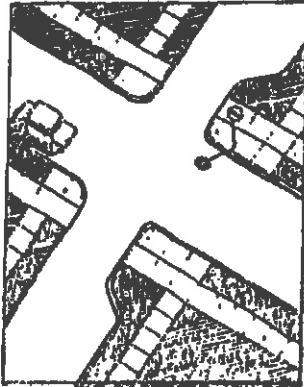
Improper islands make roadways unsafe. If an island is not large enough to command attention, motorists will drive over it. Curbed islands are sometimes difficult to see at night due to oncoming headlights or other light sources, thus causing crashes.

Islands do not reduce traffic volume by any significant amount, but can be an effective treatment for traffic movement and safety. If a traffic island is used, it might be beneficial to plan an island initially, then observe the effect and change the layout arrangement accordingly. The same process can be repeated until an optimum arrangement is established and a permanent raised island can be installed.

6. Chokers and Road Narrowing

Chokers are narrowed roadway widths using landscaped areas between the sidewalk and street. The pavement width between chokers can be constructed for one or two lanes of traffic. The choker can be constructed parallel to the traveled way or twisted to the direction of travel.

Road narrowing is a method used mostly in residential areas to control vehicle speeds and reduce traffic volume to improve



safety. Another road narrowing technique can be found by the use of medians. In one community in Maryland, medians 20 to 50 feet or more in length have been constructed in advance of intersections. It was found to effectively reduce speeds though, it was necessary to construct bulb-outs to force drivers to shift over inconveniently. Once implemented, the 85th percentile speeds were reduced by 2-5 mph.

Chokers and road narrowing can control the speeds of vehicles efficiently and can increase safety and reduce traffic flow if properly installed. However, they should not be used on high volume streets, and sudden road narrowing should always be avoided. Curbside parking may have to be sacrificed to implement these methods. Proper signs should be installed to warn drivers of the chokers.

Reference: 4, 32

7. On-Street Parking

On-street parking is parking that is allowed on a street in the curb lane and is commonly permitted in residential areas.

Drivers of through vehicles generally reduce their speed in anticipation of conflict situations with parked vehicles or pedestrians. A study was done in Dallas where parking was removed in four central business districts. A 60-day study showed an increase of 26.7% in vehicle speed. In another study, only peak period prohibitions were reported which increased average speeds by 27%.

A clear relationship exists between crashes and vehicles parked on-street. One study in a community of 65,000 people found that 43% of all local and collector-street crashes involved on-street parking.

The angle of on-street parking has an affect on safety. Although angle parking allows for more parking spaces per unit of curb length than parallel parking, it requires more space for maneuvering, increases the amount of time a car is exposed to oncoming traffic, and can create a visibility problem for drivers when backing out into traffic. Therefore, angle parking has a substantially higher crash rate than parallel parking. Many studies have found that eliminating angle parking and replacing it with parallel parking reduces crashes 19 to 63 percent. A study in Maine found that parallel parking had a crash rate 12 percent lower than angle parking. A study in Nebraska concluded that parking should be of parallel rather than angle type to improve safety by reducing traffic crashes.

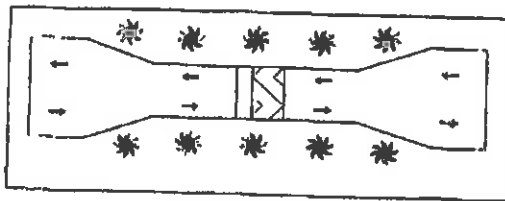
Several studies have been conducted that show the safety concerns of on-street parking. Primary hazards are:

1. Parked vehicles make the road width narrower and significantly restrict the flow of traffic. Parked vehicles can easily increase rear-end or side-swipe crashes due to hazardous maneuvers by drivers avoiding parked vehicles or drivers entering or leaving parking stalls.
2. Drivers or rear-seat passengers getting out of parked vehicles on the side street present an added obstacle in the roadway. This produces both rear-end and side-swipe collisions.
3. Reduced sight distances involving pedestrians, especially children, attempting to cross the street from between parked vehicles or at intersections.

It is advisable to avoid on-street parking especially on residential streets because of the crash hazard, traffic volume/capacity/flow reduction, etc. It does, however, reduce speeds by restricting sight distances.

References: 21, 22, 23, 24, 34, 35

8. Combination of Physical Control Measures



Various combinations of traffic control and traffic calming measures can be used to enhance effectiveness. The combinations are governed by the major objectives or purpose for which the installation is planned. For ex-

ample, the objective of reducing speeds and cut through traffic may be achieved by using a combination of a speed hump and street narrowing. The illustration presents such a combination. This combines the installation of a speed hump as well as street narrowing within the vicinity of the speed hump. The street narrowing helps to reduce speeds over a longer distance than a conventional speed hump.

References: 31

C. ROADWAY MARKINGS

1. Transverse Markings

Transverse pavement markings consist of a series of painted lines placed across the road. The spacing between the lines gradually decreases as the hazard is approached. The paint pattern is intended to give the illusion of high speed and causes drivers to reduce their speeds. In Maine, transverse pavement markings used in conjunction with standard speed limit signs, when entering a small town, increased the number of vehicles traveling below the speed limit by 10 percent. In Scotland, similar

success occurred when yellow transverse markings were applied in advance of a traffic circle. Initial results showed a 30 percent reduction in 85th percentile speeds, which were later reduced to 16 percent after one year. Crashes were reduced at the Scotland site from 14 crashes in the year prior to the installation to only 2 crashes in the 16 months following the installation.

A study in Great Britain showed that speeds were influenced by the existence or non-existence of a hazard following the transverse markings. If no hazard exists at the first location with transverse markings, the driver would not slow down at the second location even if a hazard existed.

It appears from the various studies that if transverse markings are used at locations in advance of potentially hazardous locations or in addition to normal speed limit signing when entering small towns, that speed reductions will occur at both types of locations and crashes will be reduced at the hazardous locations. However, it does not appear from the literature reviewed that reductions in speeds should be anticipated by applying transverse pavement markings in the middle of a typical residential area.

Reference: 27

2. Longitudinal Markings

Longitudinal pavement markings for speed control is intended to give drivers the impression of a narrow lane through which the vehicle must be guided. One study involved the striping of two residential streets to nine foot wide lanes. It was found that speeds changed in a range of a decrease of 1.4 MPH to an increase of 3.2 MPH. It was theorized that the narrowing by striping was ineffective because it actually made the drivers task of tracking the roadway easier.

3. Crosswalks

The use of painted crosswalks is to provide improved pedestrian safety by guiding them across the street and to notify drivers of the possibility of the presence of pedestrians. When painted

crosswalks are used, sidewalks on both sides of the road should also be provided. There is no indication in the literature that crosswalks result in lower vehicular speeds.

Reference: 16

D. PLANNING-RELATED ALTERNATIVES

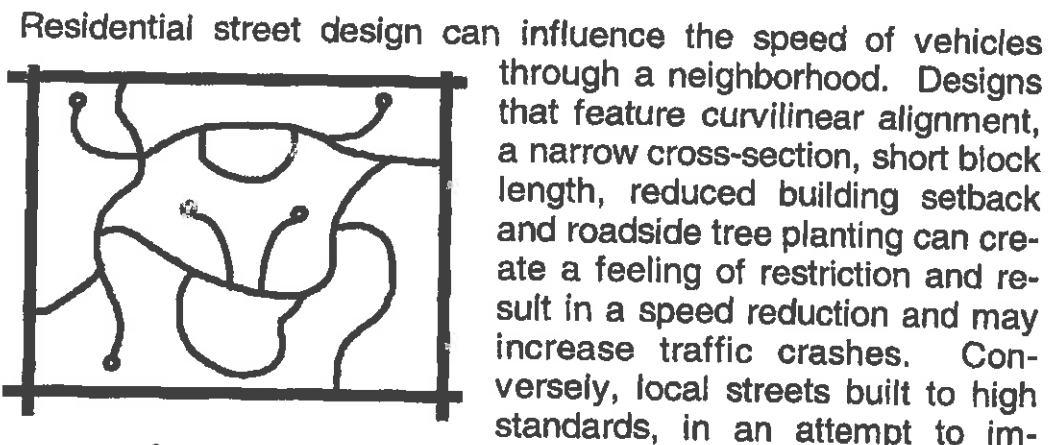
1. Adequate Arterial Capacity

By providing adequate capacity on the surrounding major street network, the amount of through traffic using residential streets can be reduced. Although not specifically a speed regulating method, reducing the traffic volume can decrease the number of speed complaints on residential streets and can improve safety.

Though this is a costly means of reducing residential speeding complaints, improved traffic flow and crash reduction can be realized on residential streets.

Reference: 26

2. Subdivision Planning



Residential street design can influence the speed of vehicles through a neighborhood. Designs that feature curvilinear alignment, a narrow cross-section, short block length, reduced building setback and roadside tree planting can create a feeling of restriction and result in a speed reduction and may increase traffic crashes. Conversely, local streets built to high standards, in an attempt to improve safety, create an environment that allows increased vehicle speeds.

New subdivision streets can be designed to discourage cut-through traffic, which will reduce speeding complaints.

Care must be taken in the design process to ensure adequate sight distances along the roadway and at intersections, to provide the highest level of safety possible.

Reference: 26, 29

VI. CONCLUSIONS

An effective traffic calming program can be implemented by following the guidelines in this booklet. The key to a successful program is **community involvement**. Local officials and residents must work together for the common goal of improving safety on residential streets. This booklet provides alternatives that may help decrease speeds and/or reduce through traffic on residential streets. It also gives direction for developing a traffic calming program in those communities that currently use only traffic law enforcement to control speeds.

Whenever traffic calming devices are used, special care must be taken to advise drivers of the device by installing adequate warning signs and/or permanent markings.

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#OHSP 701 (2/98)

Town of Eagar

Memorandum

To: Mayor and Council
From: Bruce Ray, Interim Town Manager
Date: August 1, 2017
Re: IT Contract for the Town of Eagar

As I reported at Council meeting in June the contract with Conquest Technologies was terminated on June 30, 2017. With this termination we are forced to find a new IT support contractor as well as a new host for our Web Page.

An RFQ was published and posted requesting qualifications to provide IT support for all departments within the Town of Eagar. A separate RFP was sent out for the Web Site Hosting.

I met with two local IT professionals and requested a quote from them and did not receive one.

We received just one proposal which was from Sunstate Technology Group. See the attached quote. A representative from Sunstate will be at the meeting to answer any question the council might have.

The budget amount for IT Support for this budget year is \$24,000 and the quote from Sunstate is \$36,588.00 with a onetime set up cost of \$3,500.00. This is \$16,088 above the approved budget. After speaking with Katie once the line item for IT support was expended we would come back to Council to request a budget adjustment, which more than likely would be in March or April 2018. In order to cover this increase we would delay capital projects and other unnecessary purchases that will not hinder the services we provide to the public.

I recommend a motion be made to enter into a contract with Sunstate Technologies for IT support to the Town of Eagar.

Bruce Ray
Interim Town Manager



We have prepared a quote for you

Request for Quote

QUOTE # DB-000511 V1

PREPARED FOR

Town of Eagar

PREPARED BY

Dustin Byars



Executive Summary

The pricing we have outlined in this proposal matches that of pricing that we would give to non-profits. In efforts to earn your business I wanted to make this pricing the best I could. So, we hope to be competitive in pricing but to give you a lot more features and to back everything up with unequalled service and support.

About Sunstate Technology Group

We specialize in solving problems for other business's – more specifically, technical problems with your computer systems, printers, phones, and all things electronic.

Sunstate Technology Group has grown from 2 to 30+ employees over the last 8 years. We have been providing IT solutions in the White Mountains for over 15 years. We have been a company that focuses on our community and development through small business.

With office locations in Show Low, Taylor, Holbrook, Winslow, and Phoenix we currently support Phone and Computer systems for multiple doctors, municipalities, schools, non-profits, and other private businesses.

Through our connections and our willingness to be flexible to find the best solutions for our customers and not just offer them a cookie cutter solution we have been able to save our customers thousands of dollars monthly. While providing better support and 30-45 minutes response/onsite times.

I think it's about time someone finally got it right. That's why we decided ourselves to start a "one company revolution" and committed ourselves to delivering fast, affordable computer support from professional and reliable technicians to small and medium sized businesses nationwide!

Admittedly, this is only one small part of the day-to-day issues you deal with, but I think you'll agree that IT problems can be some of the most aggravating (and expensive) issues you run into.

WE are dedicated to your success.

References

- Timber Mesa Fire and Medical
 - Randy Chevalier (Deputy Chief)
928-537-5100
- Town of Snowflake
 - Brian Richards (Town Manager)
928-536-7103
- Holbrook Police Department
 - Mark Jackson (Chief of Police)
928-524-3992
- ChangePoint Integrated Health
 - Jeff Oakes (CEO)
928-537-2951
- Living Hope Women's Center
 - Lynnette Carter (CEO)
928-537-9032

Staff and Qualifications

Nathan- A+, Net+, MOS Master 15 years' experience

Stuart –Associates in Applied Sciences, MCSE, MCP,A+, Net+, Security+ IC3. Microsoft Certified, CAN, MOS master, 20 years hands on experience.

James - Microsoft Certified Professional, NET+ Certification, A+ Certification, 14 years hands on experience.

Seth - CCNA, MCSE, 11 years hands on experience.

Chris A. - CCNA, MCSE, 12 years hands on experience.

Boston- CCNA, MCSE, 13 years hands on experience.

Brad- A+, Net+ 10 years hands on experience.

Brian- A+ 5 years hands on experience.

Chris D.- A+ 5 years hands on experience.

Gary- Associates networking, 2 years hand on experience.

Joel- Masters Information systems, BS Information technology 15 years hands on experience.

Our monthly services are all inclusive and unlimited meaning we do not limit how much support you get or when you get it.

Each computer will receive our award winning software and support;

- Sunstate Ticket Agent that will reside as an icon down by the clock on the users desktop, From the agent users will easily be able to send service tickets 24x7. This ticket is routed to our service board where its viewed by 15 techs and quickly assigned and service started.
- Sunstate Monitoring, The monitoring portion runs in the background and gives us details about the hardware status on the computer. Making it easy to see any hardware or software issues, it also gives us accountability so that we can track computer obsolescence keeping the computers up to date.
- Sunstate Maintenance, Maintenance on the computers is scheduled once a week at 8PM. First It clears the computer of all temp files were viruses and malware reside and also speeds up the computer response. Second it runs updates and patches on the computer keeping it up to date and in compliance. Third it runs defrag on the hard drives keeping them running at top speed and also detecting any hard drive issues.
- Webroot Antivirus, Webroot is managed and monitored 24x7 and has proven to be a very effective tool in preventing the new crypto viruses and other know malware.
- Screen Connect, SC is our remote tool allowing us to chat with the customer asking permission before remoting onto the computer to resolve any issues.
- Our end user support services are available 24x7, this means that if your computers are offline and unable to access our ticketing software, We can be reached by email and phone.

Our daily functions consist of...

- Remote and onsite support
- User adds moves and changes
 - Active Directory
 - Domain
 - Exchange
 - All software suites
- 100% Help Desk Support
- Network changes
 - Internet monitoring and support with your internet provider.
 - Firewalls/Routers
 - Switches
 - VOIP Management, configuration and installs.
 - Printer Moves
 - Wi-Fi Support
 - Shared Drive Creation
- Client specific Software Support
- Hardware troubleshooting
- Monitoring backups for any issues and daily checks for completion.
- Monitor and Perform updates and reboots on servers

Our 24X7X365 monitoring watches over the following...

- Service traffic and load
- Hardware integrity and reliability
- Storage space and availability
- Back-up success and failures
- Anti-virus protection
- Spyware detection and removal
- Uninterruptible Power Supply (UPS) monitoring

Another intriguing part of our service is partnership and transparency...

- IT Planning for the entire budget year (March or April)
- Monthly timesheet reports
- Monthly ticket summaries
- Monthly Admin meetings to discuss performance and upcoming projects

Support as a Service

Manage and Maintain all staff computers monthly

- Includes 2 hours of maintenance per machine per week, regardless.
- Includes unlimited support 24/7/365 via our unique ticketing software
- This covers service tickets, HD defrags etc.
- Process updates and patches on a weekly basis
- 100% Vendor Management

Manage and Maintain server monthly

- Includes 2 hours of maintenance per machine per week, regardless.
- Includes unlimited support 24/7/365 via our unique ticketing software
- This covers service tickets, HD defrags etc.
- Process updates and patches on a weekly basis
- Mediate onsite and offsite backups

Network Attached Storage (NAS)

- Check backups daily for success
- Device makes backup every Monday and incremental changes for the following 14 days

Crashplan Offsite Backup

- This will take data offsite
- Data is backed up incrementally, daily

Manage Routers, Firewalls and Switches

- Manage and maintain routers and firewalls
- Monitor and maintain internet connection
- Call ISP to troubleshoot outages

Webroot Antivirus (WAV)

- WAV is completely managed by STG
- CompTech has the ability to manage and add virus definitions
- WAV takes up very little space on machine



Request for Quote

Quote #: DB-001

This quote has not been approved. Please review the terms, and sign below.

Prepared For

Town of Eagar
Bruce Ray
22 W. 2nd Street
Eagar, AZ 85925

Prepared By

Dustin Byars
Direct: 8883682024
dbyars@sunstatetech.com

Download your PD

Download and review your PDF doc



Review and Select Your Options

Your Available Options

Support as a Service

Qty	Description	Recurring	Ext. Recurring	Price	Ext. Price
32	Support as a Service Includes 24X7X365 support	\$65.00	\$2,080.00	\$0.00	\$0.00
5	Managed Server Includes 24X7X365 support	\$150.00	\$750.00	\$0.00	\$0.00
1	Hardware NAS Provides onsite backup.	\$95.00	\$95.00	\$0.00	\$0.00
1	Crashplan Backup Covers four computers.	\$30.00	\$30.00	\$0.00	\$0.00
2	Managed Network Switch Managed Network Switch/Router/Firewall	\$10.00	\$20.00	\$0.00	\$0.00
37	Webroot Anti-Virus Webroot Anti-Virus	\$2.00	\$74.00	\$0.00	\$0.00
1	One Time Setup One Time Setup	\$0.00	\$0.00	\$3,500.00	\$3,500.00
Subtotal			\$3,049.00		\$3,500.00

Quote Summary		Recurring	One-Time
Support as a Service Subtotal		\$3,049.00	\$3,500.00
Subtotal		\$3,049.00	\$3,500.00
Total Amount		\$3,049.00	\$3,500.00

UPDATE OPTIONS

Comments or question

If you have any comments or questions about this quote, please feel free to enter your comment. Your comment will be logged and emailed to dbyars@sunstatetech.com.

SUBMIT QUESTION! / COMMENT

Approval

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

☒ I accept the above conditions

E-Signature

Your Initials:

Your Email Address:

Purchase Order Number:

Sign Here:

X

Please fill out the required fields above and check 'I accept the above conditions'

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EXECUTIVE SESSION

1. Everything said in Executive Session must be kept confidential. All notes must be left with the clerk.
2. No vote or legal action can be taken in Executive Session.
3. Action or a vote may take place back in the regular session.
4. Everything discussed in the Executive Session must be related to the Executive Session item listed on the agenda.
5. Minutes of the Executive Session shall be kept confidential except from:
 - Members of the public body who met in Executive Session.
 - Officers, appointees, or employees who were the subject of discussion.
 - The auditor general on a request made in connection with an audit authorized as provided by law.
 - A county attorney or the attorney general when investigating alleged violations of this article.